5500.2

DEFENSE CONTRACT AUDIT AGENCY
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6178

DL

17 May 1989

DCAA REGULATION
NO. 5500.2

STANDARDS OF CONDUCT

A. REISSUANCE AND PURPOSE. To provide implementing guidance to carry out the purpose and requirements of DoD Directive 5500.7, Standards of Conduct, 6 May 1987 (Enclosure 1).

B. CANCELLATION. DCAA Regulation 5500.2, Standards of Conduct, 29 August 1977, is canceled.

C. APPLICABILITY. This regulation, including DoD Directive 5500.7, applies to all DCAA personnel.

D. POLICY.

1. **Basic Requirement.** DCAA employees shall comply with the DoD Standards of Conduct policy, requirements, and procedures, as outlined in DoD Directive 5500.7 (hereinafter referred to as the DoD Directive).

2. **Avoiding the Appearance of Impropriety.** Due to the sensitive mission of DCAA, personnel who take, or fail to avoid, an action that creates an appearance of impropriety, will be subject to disciplinary action. DCAA personnel should seek the advice of the Office of the General Counsel, DCAA, before taking any action that may create an appearance of impropriety.

3. **Special Considerations for Personnel Involved in the DCAA Audit Mission.** Personnel involved in the DCAA audit mission must ensure that the mission is performed consistent with the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, as promulgated by the Comptroller General of the United States. These standards impose a requirement for audit professionalism, and incorporate standards of the American Institute of Certified Public Accountants (AICPA). While the Comptroller General's standards deal largely with functional issues of audit work, they also contain standards concerning ethics and audit independence which are related to the requirements of this regulation. Although the provisions of this regulation are controlling, the Comptroller General's audit standards (which incorporate the AICPA standards), are to be interpreted as consistent with, and supplementary to, the DCAA/DoD standards. DCAA employees who perform functions related to DCAA's audit mission shall do so in a manner that meets all the standards that are applicable to that function. The Comptroller General's audit standards will be considered in dealing with possible violations of the DoD/DCAA Standards of Conduct. This is particularly true when a determination is being made as to whether an action creates the appearance of impropriety.

4. **Employee Orientation and Review of Regulation.**

a. New employees will receive a copy of this regulation and an oral standards of conduct briefing before assuming their duties. They will sign the Defense Contract Audit Agency Standards

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Conduct Statement, DCAA Form 5502-1, Enclosure 2, and note the receipt of the briefing. A separate form will be initiated for each employee. In Headquarters and regional offices, completed statements for current staff members will be maintained alphabetically. The regional director may direct that completed statements be maintained at the field audit office rather than at the regional office. Videotape briefing materials may be used in lieu of, or to supplement, an oral briefing.

b. DCAA Form 5502-1 will be signed every 6 months by each employee. The Assistant Director, Resources, and the cognizant regional personnel officer will assure that a signed DCAA Form 5502-1, and each semiannual certification, is obtained from, and maintained for, each employee.

c. DCAA employees are expected and encouraged to seek the advice of their supervisors concerning Standards of Conduct issues. Supervisors and employees are likewise encouraged to seek review and guidance on any unresolved issue from the Office of the General Counsel, DCAA.

5. **Specific Application of Standards of Conduct Requirements to DCAA Personnel.** The following is a listing of specific applications of the Standards of Conduct requirements to DCAA personnel.

a. **Report of potential employment contacts.** Under 10 U.S.C. § 2397a, DCAA employees who are involved in procurement functions (contract audit is a procurement function) and who are paid at or in excess of the rate for a GS-11, step 1, must report contacts from certain defense contractor firms regarding employment. Specific details regarding this requirement are found at Enclosure 9 to the DoD Directive and at Enclosure 10 to this regulation. This specific reporting requirement under 10 U.S.C. § 2397a is not the only requirement for reporting potential employment contacts. More general reporting requirements applicable to DCAA personnel are found at Enclosure 11.

b. **Employment restrictions on former DCAA employees.** Under 10 U.S.C. § 2397b, DoD employees who have been performing procurement functions (contract audit is a procurement function) with regard to a particular defense contractor or major defense system are prohibited, for a period of 2 years after leaving government service, from accepting compensation from such contractors, or from contractors involved in contracts for such major defense system. This restriction applies only to DoD employees who formerly held positions for which they were paid an amount equal to, or greater than, the minimum rate of pay for a GS-13. Specific details regarding this restriction are found at Enclosure 10 to the DoD Directive. DCAA auditors should review these restrictions with great care. Based on these restrictions, many DCAA auditors who leave government service may not receive compensation for a period of 2 years from contractors that they had audited. DCAA employees are entitled to obtain a written opinion from DCAA's Designated Agency Ethics Official, (DAEO), as to whether any particular prospective employment with a contractor would violate 10 U.S.C. § 2397b. The requirements for obtaining such a letter are provided in Enclosure 11. DCAA employees should also review the Digest of Laws found at Enclosure 3 to the DoD Directive. In particular 18 U.S.C. § 203 and 18 U.S.C. § 207 place other restrictions on the employment activities of former DCAA employees.

c. **Statement of Affiliations and Financial Interests, DD Form 1555.**

(1) Designated DCAA personnel are required to submit initial and annual Statements of Affiliations and Financial Interests (DD Form 1555), unless they are required to file an Executive Personnel Financial Disclosure Report (SF 278). Initial statements will be submitted before an

employee assumes the duties of a covered position. Annual statements are to be submitted by 30 November of each year for all affiliations and financial interests held as of 30 September of that year.

(2) In consultation with the responsible supervisor(s), the General Counsel designates those positions which require the filing of a DD Form 1555. Positions are designated under the criteria and limited exclusions found in paragraph A of Enclosure 5 to the DoD Directive. Prior to August 31 of each year, the General Counsel shall provide a memorandum which identifies those positions that have been duly designated.

(3) Detailed instructions on the information to be furnished and the procedures for processing DD Forms 1555 are set forth at Enclosure 5 to the DoD Directive, and at Enclosure 12.

d. **Executive Personnel Financial Disclosure Report (SF 278)**

(1) All members of the Senior Executive Service are required by the Ethics in Government Act of 1978 to file a Standard Form 278 if they have served in a "covered" position for 61 days or more during the preceding calendar year. These individuals need not file a DD Form 1555.

(2) Detailed instructions and procedures are set forth at Enclosure 6 to the DoD Directive, and at Enclosure 13.

e. **Defense Related Employment (DD Form 1787).** DCAA employees who leave government employment and subsequently are employed with a major DoD contractor, or current DCAA employees who, prior to DCAA employment, were employed by a major DoD contractor, may be required to file a Report of DoD and Defense Related Employment, DD Form 1787. The precise rules and procedures for filing this form are found at Enclosure 8 to the DoD Directive, and at Enclosure 14.

f. **Digest of Laws**. DCAA employees should review the Digest of Conflict of Interest Laws Applicable to DoD Personnel found at Enclosure 3 to the DoD Directive.

g. **Approval of off-duty employment**. See Enclosure 3.

h. **Endorsement of unofficial programs**. See Enclosure 4.

i. **Providing services to contractors or contractor's employees.** See Enclosure 5.

j. **Restrictions on performing off-duty tax services.** See Enclosure 6.

k. **Off-duty employment as a member of a partnership.** See Enclosure 7.

l. **Participation in activities or organizations which receive contractor support.** See Enclosure 8.

m. **Resolving conflicts of interest posed by employment of relatives and household members by defense contractors**. See Enclosure 9.

E. RESPONSIBILITIES.

1. **The General Counsel** is DCAA's Designated Agency Ethics Official, (DAEO), having the responsibilities prescribed for the DAEO in the DoD Directive. He will appoint a Deputy General Counsel to serve as the Alternate Agency Ethics Official. All other attorneys under his supervision are designated as Ethics Counselors.

2. **The Assistant Director, Resources** will:

a. Maintain a list of all DCAA employees who are required to submit a financial disclosure statement (DD Form 1555 or SF 278).

b. Assure that the position descriptions for DCAA positions indicate those positions for which incumbents must file financial disclosure statements (DD Form 1555 or SF 278).

c. Establish procedures to assure that a signed DCAA Form 5502-1 is obtained semiannually from, and maintained for, each DCAA employee.

d. Establish procedures to assure that each departing DCAA employee is informed of post-employment restrictions and requirements, including the requirement to file a DD Form 1787. A form to accomplish this is found at Enclosure 15.

e. Perform the duties designated in paragraph D. 5. for DCAA personnel assigned to Headquarters including Headquarters field activities, and the DCAI.

3. **The Assistant Director, Policy and Plans** will ensure that training on ethics and standards of conduct is integrated into the training programs of the Defense Contract Audit Institute. Attorney personnel from the General Counsel's office will be available to assist in this training. Ethics and standards of conduct training may be incorporated into existing curricula and syllabi by use of examples, cases, and factual situations that present ethics problems in a realistic context of DCAA activities.

4. **The Heads of DCAA Principal Staff Elements** will:

a. Report promptly all violations of this regulation and statutes cited herein to the General Counsel, DCAA.

b. Ensure that required DD Forms 1555 are filed by employees of their element and forwarded to the General Counsel, DCAA, in accordance with this regulation.

5. **Regional Directors, and the Director, Field Detachment**, will:

a. Furnish a copy of this regulation to employees under their cognizance.

b. Monitor and ensure the semiannual completion of DCAA Form 5502-1 by each of their employees.

c. In conjunction with regular training programs, such as scheduled security briefings, provide training on ethics and standards of conduct. The General Counsel, DCAA, will provide information on training opportunities and training materials.

d. Post the Code of Government Ethics in DCAA offices.

e. Notify the General Counsel, DCAA of any ethics or standards of conduct issues or problems.

f. Ensure that new DCAA employees who are required to file a DD Form 1787 comply with the requirement.

g. Prior to December 15 of each year, furnish to the General Counsel, DCAA, the original DD Forms 1555 executed by personnel under their cognizance.

6. **DCAA Supervisors** will:

a. Ensure that the position description of each of their immediate subordinates indicates whether the incumbent of the position is required to submit a financial disclosure statement (DD Form 1555 or SF 278).

b. Review the DD Form 1555 of subordinates appointed to positions that require the incumbent to submit that form. Forms that have been reviewed will be processed through the resources/personnel office as required by this regulation.

c. Annually review the positions of their immediate subordinates to ensure that the position descriptions accurately reflect whether the incumbent is required to file a financial disclosure statement.

d. Review DD Forms 1555 filed by their immediate subordinates to identify any conflict between the employee's private financial interests and official responsibilities. Complete the supervisor's statement contained therein, and promptly forward the completed form to the Office of General Counsel, DCAA. (See Enclosure 12.)

e. With the assistance of the DAEO, resolve problems of gratuities or conflict of interest.

7. **DCAA Employees** will:

a. Become familiar with and scrupulously follow the standards of conduct requirements set forth in this regulation

b. Adhere to the highest standards of honesty and integrity.

c. Promptly file financial disclosure statements when required by this regulation.

d. Report within 48 hours to the DAEO any suspected violations of this regulation.

e. Report immediately to their supervisor and to the DAEO the acceptance of any gratuities identified in section D.3.a.(10) of the DoD Directive. Failure to submit these reports may be a basis for disciplinary action.

f. Report within 48 hours to their immediate supervisor any conflict of interest that may require a formal disqualification from duties or potential duties.

g. Report immediately to their immediate supervisor any contact initiated by a defense contractor covered by 10 U.S.C. § 2397a concerning employment. A prior report is required if a DCAA employee contemplates contacting a contractor.

F. PROCEDURES. The procedures for the Standards of Conduct program are those set out in paragraph "F. PROCEDURES" of the DoD Directive. Additional DCAA procedures may be established by DCAA management officials designated in paragraph" E. RESPONSIBILITIES."

William H. Reed
Director

Enclosures

1. DoD Directive 5500.7, Standards of Conduct, 6 May 1987
2. Standards of Conduct Statement, DCAA Form 5502-1, Jun 88
3. Approval of Off-Duty Employment
4. Endorsement of Unofficial Programs
5. Services to Contractors or Contractor's Employees
6. Restrictions on Performing Off-Duty Tax Services
7. Off-Duty Employment as a Member of a Partnership
8. Participation in Activities or Organizations Which Are Affiliated With, Supported by, or Otherwise Create an Appearance of a Relationship With, a Contractor
9. Resolving Conflicts of Interests Posed by Employment of Relatives and Household Members by Defense Contractors
10. Report of Potential Employment Contacts Required by 10 U.S.C. § 2397A
11. Considerations for Seeking Non-Federal Employment
12. Requirements for Submission of DD Form 1555, Statement of Affiliations and Financial Interests
13. Executive Personnel Financial Disclosure Report (SF 278)
14. Reporting Procedures for DoD and Defense Related Employment
15. Notice to Departing DCAA Employees

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Department of Defense

DIRECTIVE

Encl 1
DCAAR 5500.2

May 06, 1987
NUMBER 5500.7

GC, DoD

SUBJECT: Standards of Conduct

References:
- (a) DoD Directive 5500.7, subject as above, January 15, 1977 (hereby canceled)
- (b) DoD Directive 7700.15, "Reporting Procedures on Defense Related Employment," October 30, 1970 (hereby canceled)
- (c) Public Law 95-521, "Ethics in Government Act of 1978," October 26, 1978, as amended
- (d) Title 5, Code of Federal Regulations, Parts 734 and 735, Office of Personnel Management Regulations
- (e) through (jj), see enclosure 1

A. REISSUANCE AND PURPOSE

1. This Directive reissues reference (a) after reference (a) was consolidated with reference (b), and implements references (c) through (f).

2. This Directive prescribes standards of conduct required of all DoD personnel, regardless of assignment. It establishes criteria and procedures for reports required of certain former and retired military officers and former DoD civilian officers and employees who are presently employed by defense contractors, and former officers and employees of defense contractors presently employed by the Department of Defense.

3. Penalties for violations of these standards include the full range of statutory and regulatory sanctions for civilian and military personnel.

B. APPLICABILITY AND SCOPE

This Directive applies to all DoD personnel and to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), the Unified and Specified Commands, the Inspector General, and the Defense Agencies (hereafter referred to collectively as "DoD Components") including nonappropriated fund activities. The reporting procedures on DoD and defense related employment also apply to certain former officers and employees of DoD Components, as indicated in this Directive.

C. DEFINITIONS

The terms used in this Directive are defined in enclosure 2.

D. POLICY

1. General Requirements

a. Government service or employment is a public trust requiring DoD personnel to place loyalty to country, ethical principles, and the law above private gain and other interests. DoD personnel shall not make or recommend any expenditure of funds or take or recommend any action known or believed to be in violation of U.S. laws, Executive orders, or applicable Directives, Instructions, or Regulations.

b. DoD personnel shall become familiar with the scope of, authority for, and limitations of the activities for which they are responsible. DoD personnel also shall acquire a working knowledge of appropriate statutory standards of conduct prohibitions and restrictions. The most commonly encountered of these provisions, which include conflict of interest laws, general post employment restrictions, laws particularly applicable to retired regular officers, and other laws applicable to all DoD personnel, are summarized in enclosure 3. Except where expressly stated otherwise in the following sections, the standards of conduct set forth in this Directive apply to all DoD personnel, even though some standards may have their source in laws that only apply to some DoD personnel.

c. If the propriety of a proposed action or decision is in question because it may be contrary to law or regulation, DoD personnel shall consult DoD Component legal counsel, or, if appropriate, the DoD Component's Designated Agency Ethics Official (DAEO) or designee for guidance. This is intended to promote the proper and lawful conduct of DoD programs and activities.

d. Practices that may be accepted in the private business world are not necessarily acceptable for DoD personnel. Sound judgment must be exercised. All personnel must be prepared to account fully for the manner in which that judgment has been exercised.

e. DoD personnel shall adhere strictly to the DoD program of equal opportunity regardless of race, color, religion, sex, age, national origin, or handicap in accordance with DoD Directive 1100.15 and DoD Directive 1020.1 (references (g) and (h).

f. DoD personnel shall avoid any action, whether or not specifically prohibited by this Directive, that might result in or reasonably be expected to create the appearance of any of the following:

(1) using public office for private gain,

(2) giving preferential treatment to any person or entity,

(3) impeding Government efficiency or economy,

(4) losing independence or impartiality,

(5) making a Government decision outside official channels, or

(6) affecting adversely the confidence of the public in the integrity of the Government.

g. In accordance with P.L. 96-303 (reference (i)), DoD Components shall display copies of the Code of Ethics for Government Service in appropriate areas of Federal buildings in which at least 20 persons are regularly employed as civilian employees. See enclosure 4.

2. Conflicts of Interest Prohibitions

a. Affiliations and Financial Interests. DoD personnel shall not engage in any personal, business, or professional activity, nor hold direct or indirect financial interest that conflicts with the public interests of the United States related to the duties and responsibilities of their DoD positions. For the purpose of this prohibition, the private financial interests of a spouse, minor child, and household members are treated as private financial interests of the DoD personnel.

b. Using "Inside Information." DoD personnel shall not engage in any personal, business, or professional activity, nor enter into any financial transaction that involves the direct or indirect use of "inside information" for personal advantage to themselves or others. This prohibition against "inside information" obtained while at the Department of Defense continues even after the individual terminates Government service or employment. See enclosure 2.

c. Using Official DoD Position. DoD personnel shall not use their DoD positions to induce, coerce, nor in any manner influence any person, including subordinates, to provide any personal benefit, financial or otherwise, to themselves or others.

(1) Contributions or Gifts to Superiors. DoD personnel shall not solicit a contribution from other DoD personnel for a gift to an official superior, make a contribution or a

gift to an official superior, or accept a gift or contribution from subordinate DoD personnel. This prohibition also applies to gifts or contributions to immediate family members of an official superior. This paragraph does not prohibit voluntary gifts of reasonable value or voluntary contributions of nominal amounts (or acceptance thereof) on personal occasions such as marriage, transfer out of the chain of command, illness, or retirement, provided that any gift acquired with such contributions does not exceed a reasonable value under the circumstances.

(2) Use of Civilian and Military Titles. DoD personnel shall not use their official titles or positions in connection with any commercial enterprise or to endorse any commercial product, subject to the following:

(a) Such personnel may make speeches or publish books or articles that identify them by reference to their title or position, provided that the material is approved for public release in accordance with DoD procedures. See DoD Directive 5230.9 (reference (j)).

(b) Retired military personnel and members of Reserve components not on active duty may use their military titles in connection with commercial enterprises, provided they indicate their retired or reserve status. However, the use of military titles is prohibited if it casts discredit on any DoD Component or gives the appearance of sponsorship, sanction, endorsement, or approval by any DoD Component. Overseas commanders of DoD Components may restrict further the use of titles, including use by retired military personnel and members of Reserve components not on active duty, in overseas areas to avoid confusing foreign governments or foreign nationals on the status of such individuals.

(3) Endorsements. The high visibility of DoD officials generates requests from charitable and nonprofit organizations to use an official's name and title in conjunction with fund-raising activities. The use of names and titles of DoD officials, even regarding fund-raising activities of charitable organizations, may give an improper impression that the Department of Defense endorses the activities of a particular organization, thereby resulting in unauthorized assistance for the organization or sponsors of the activities. The presence of DoD officials may be sought, under the guise of bestowing awards upon the official, to promote attendance at programs. DoD officials shall not allow the use of their names or titles in connection with charitable or non-profit organizations, subject to the following:

(a) The Department of Defense may assist only those charitable programs administered by the Office of Personnel Management under its delegation from the President and those other programs authorized by regulations of the DoD Components. See DoD Directive 5035.1 (reference (k)).

(b) This prohibition does not preclude speeches before such organizations by DoD officials if the speech is designed to express an official position in a public forum.

(c) This prohibition does not preclude volunteer efforts on behalf of charitable or nonprofit organizations by individuals who do not use their official titles in relation to solicitations and who do not solicit from individuals or entities with whom they do business in their official capacity. See DoD Directive 5410.18 and 5410.19 (references (l) and (m)).

(4) Relationship with Defense Contractor. DoD personnel shall not use the Department's relationship with defense contractors or potential defense contractors to induce, coerce, or seek any favors or actions other than those authorized by the contract, or by law.

d. Release of Acquisition Information. DoD personnel shall not release any information concerning proposed acquisitions or purchases by any DoD contracting activity, except in accordance with authorized procedures.

e. Statements or Commitments with Respect to Award of Contracts. DoD personnel other than contracting officers shall not make any commitment or promise relating to award of a contract nor make any representation that reasonably may be construed as such a commitment.

f. Membership in Associations. DoD personnel who are members or officers of nongovernment associations or organizations shall not engage in activities on behalf of the association or organization that are incompatible with their official DoD positions. See DoD Directive 5500.2 and DoD Instruction 5410.20 (references (n) and (o)).

g. Commercial Dealings Involving DoD Personnel. To eliminate the appearance of coercion, intimidation, or pressure from rank, grade, or position, DoD personnel shall not make personal commercial solicitations or solicited sales to DoD personnel who are junior in rank or grade, or their family members, at any time, on or off-duty.

(1) This prohibition includes, but is not limited to, the solicitation and sale of insurance, stocks, mutual funds, real estate, and any other commodities, goods, or services.

(2) This prohibition does not include the sale or lease, by a person, of a privately-owned former residence or of personal property not held for commercial or business purposes.

h. Assignment of Reserves for Training. DoD personnel who assign reserves for training shall not assign them to duties in which they will obtain information that they or their private sector employers may use to gain unfair advantage over civilian competitors. Reservists must disclose to superiors or assignment personnel information necessary to ensure that no conflict exists between their duty assignment and their private interests. Reservists on promotion boards shall not participate in promotion decisions that may directly or predictably affect their private financial interests.

i. Dealing with Personnel. DoD personnel shall not knowingly deal, on behalf of the Government, with present or former military or civilian personnel of the Government whose participation in the transaction violates a statute described in enclosure 3 or any provision or policy set forth in this Directive.

j. Honoraria. DoD personnel shall not accept honoraria or other salary supplementation for performance of official duties. See 18 U.S.C. 209, enclosure 3 (reference (p)). DoD personnel shall not suggest charitable contributions in place of such honoraria. Even when acting in a personal rather than official capacity, there are the following restrictions:

(1) DoD personnel shall not accept an honorarium of more than $2,000 (excluding expenses for travel, subsistence and agents' fees or commissions) for any appearance, speech, or article made in a personal capacity. See 2 U.S.C. 441i (reference (q)).

(2) DoD personnel shall not accept an honorarium from groups doing business with the Department of Defense if such acceptance may result in a conflict of interest or the appearance of a conflict of interest. Before accepting any honorarium, DoD personnel shall consult their DAEO or designee.

k. Pursuit of Employment. DoD personnel shall not participate, personally and substantially, on behalf of the Government in any particular matter in which an organization with which they are pursuing employment, or have any arrangement concerning future employment, has a financial interest. "Pursuing employment" includes the sending of letters or resumes in pursuit of employment, as well as discussions concerning employment. See 18 U.S.C. 208, and 10 U.S.C. 2397a, enclosure 3 (references (p) and (f)).

(1) DoD personnel who have any contact regarding future employment with an entity shall not participate in any official action involving the entity. Written and formal disqualification shall be required. Disqualification statements shall be filed with the individual's supervisor or superior, the individual's immediate subordinates, and the DAEO or designee.

(a) Disqualification statements need not be filed if the discussions are with entities not having, nor expected to have, business with the DoD individual or office.

(b) Disqualifications need not be filed if the first contact is initiated by the business entity and the DoD personnel terminates discussion immediately.

(c) A disqualification may be withdrawn at such time as employment discussions end without an employment agreement.

(2) Additionally, persons involved in the performance of procurement functions and related duties should see the detailed reporting and disqualification procedures to which they are subject. See 10 U.S.C. 2397a, enclosure 3 and enclosure 9 (reference (f)).

l. Outside Employment of DoD Personnel. DoD personnel may not engage in outside employment or other outside activity, with or without compensation, that is not compatible with the performance of their Government duties, may reasonably be expected to bring discredit upon the Government or DoD Component concerned, or is otherwise inconsistent with the requirements of this Directive. This includes the requirement to avoid actions that reasonably may be expected to create a conflict of interest or the appearance of conflict of interest.

(1) No enlisted members of the Armed Forces on active duty may be ordered or permitted to leave their post to engage in a civilian pursuit or business, or a professional activity in civil life if it interferes with the customary or regular employment of local civilians in their art, trade, or profession. See 10 U.S.C. 974 (reference (r)).

(2) Off-duty employment of military personnel by an entity involved in a strike is permissible if the person was on the payroll of the entity before the strike began and if the employment is otherwise in conformance with this Directive. After a strike begins and while it continues, no military personnel may accept employment with the involved entity at the strike location.

(3) DoD personnel are encouraged to engage in teaching, lecturing, and writing, subject to the standards set out in this Directive. See D.2.k., above. DoD personnel shall not, either with or without compensation, engage in activities that are dependent on information obtained as a result of their Government employment, except when the information does not focus specifically on the agency's responsibilities, policies and programs, and:

(a) the information has been published or is generally available to the public,

(b) the information would be made available to the public under the Freedom of Information Act, 5 U.S.C. 552 (reference (s)), or

(c) the Head of the employing DoD Component, or designee, gives written authorization for the use of nonpublic information on the basis that the use is in the public interest. See DoD Directive 5230.9 (reference (j)).

(4) Presidential appointees shall not receive compensation or anything of monetary value for any consultation, lecture, discussion, writing, or appearance, when the subject matter is as follows:

(a) is devoted substantially to DoD responsibilities, programs, or operations, or

(b) draws substantially on official material that has not become part of the body of public information.

m. Gratuities, Reimbursements, and Other Benefits from Outside Sources. DoD personnel and members of their families shall not accept gratuities from those who have or seek business with the Department of Defense or from those whose business interests are affected by DoD functions.

(1) No matter how innocently the gratuity is tendered or received, acceptance may be a source of embarrassment to the Department of Defense, may appear to affect the objective judgment of the DoD personnel involved, and may impair public confidence in the integrity of Government.

(2) DoD personnel and their families shall not solicit, accept, nor agree to accept any gratuity for themselves, members of their families, or others, either directly or indirectly from, or on behalf of, any defense contractor or any source that:

(a) is engaged in or seeks business or financial relations of any sort with any DoD Component,

(b) conducts operations or activities that are either regulated by a DoD Component or significantly affected by DoD decisions,

(c) has interests that may be substantially affected by the performance or nonperformance of the official duties of DoD personnel, or

(d) is a foreign government or representative of a foreign government that is engaged in selling to the Department of Defense, where the gratuity is tendered in the context of the foreign government's commercial activities. See DoD Directive 1005.13 (reference (t)).

3. Exceptions

a. Gratuities Exceptions. Exceptions shall be applied narrowly in keeping with the prohibitions in D.2.m., above. The prohibitions in D.2.m., above, do not apply to the following:

(1) continued participation in employee welfare or benefit plans of a former employer when permitted by law and approved by the appropriate supervisor with the advice of the DAEO or designee;

(2) acceptance of unsolicited advertising or promotional items that are less than $10.00 in retail value;

(3) acceptance of trophies, entertainment, prizes, or awards for public service or achievement in an individual capacity, or given in games or contests that do not relate to official duties and are clearly open to a broad segment of the public generally, or that are approved officially for DoD personnel participation;

(4) benefits available to the public (such as university scholarships covered by DoD Directive 1322.6 (reference (u)), and free exhibitions by DoD contractors at public trade fairs;

(5) discounts or concessions realistically available to all personnel in the DoD Component, provided that such discounts or concessions are not used to obtain any item for the purpose of resale at a profit;

(6) participation by DoD personnel in civic and community activities that also involve a DoD contractor, when any relationship between DoD personnel and the contractor is indirect (such as participation in a Little League or Combined Federal Campaign luncheon that is subsidized by a defense contractor);

(7) activities engaged in by officials of a DoD Component and officers in command, or their representatives, with local civic or military leaders as part of authorized community relations programs of the DoD Component in accordance with DoD Directives 5410.18 and 5410.19 (references (l) and (m));

(8) the participation of DoD personnel in widely attended gatherings of mutual interest to Government and industry, sponsored or hosted by universities or industrial, technical, and professional associations (not by individual contrac-

tors) provided that they have been approved in accordance with DoD Instruction 5410.20 (reference (o));

(9) situations in which participation by DoD personnel at public ceremonial activities of mutual interest to industry, local communities, and the DoD Component concerned serves the interests of the Government and acceptance of the invitation is approved by the DAEO of the employing DoD Component, or his or her designee;

(10) when on official Government business and when the DoD personnel reports the circumstances in writing to the superior or supervisor and to the DAEO or designee as soon as possible:

(a) space available use of previously scheduled ground transportation to or from the contractor's place of business provided by the contractor for its own employees, and

(b) contractor-provided transportation, meals or overnight accommodations when arrangements for Government or commercial transportation, meals, or accommodations are clearly impracticable;

(11) attendance at vendor training sessions when the vendor's products or systems are provided under contract to the Department of Defense and the training is to facilitate the use of those products or systems by DoD personnel;

(12) attendance or participation of DoD personnel in gatherings (including social events such as reception) that are hosted by foreign governments (when not in their DoD contractor capacity) or international organizations when:

(a) acceptance of the invitation is approved by the DoD Component DAEO or designee,

(b) attendance or participation is authorized by other exceptions such as D.3.a.(7), above, or D.3.a.(13), below, or

(c) the social event involves a routine or customary social exchange with officials of foreign governments (including military forces) in pursuit of official duties;

(13) customary exchanges of gratuities between DoD personnel and their friends and relatives and the friends and relatives of their spouse, minor children, and members of their household when the circumstances clearly indicate that it is the relationship, rather than the business of the person concerned, that is the motivating factor for the gratuity and it is clear that the gratuity is not paid for by the United States Government or any DoD contractor;

(14) acceptance of transportation and related travel expenses from a potential employer in connection with a job interview, provided that the recipient, before departure on that trip, notifies his or her immediate superior or supervisor of these travel arrangements and that he or she files a written disqualification statement concerning any possible official actions involving the potential employer, including some evidence that the potential employer offers the same benefits to all similarly situated applicants, not only those employed within the Department of Defense;

(15) on an occasional basis only, acceptance of coffee, donuts, and similar refreshments of nominal value offered as a normal courtesy incidental to the performance of duty;

(16) acceptance of benefits resulting from the business activities of a spouse, where it is clear that such benefits are accorded the spouse in the normal course of the spouse's employment or business, and have not been proffered or made more attractive because of the DoD personnel's status;

(17) situations in which, in the sound judgment of the individual concerned or his or her supervisor or superior, the government's interest would be served by DoD personnel participating in activities otherwise prohibited. In any such case, a written report of the circumstances shall be made in advance, or, when an advance report is not possible, within 48 hours, by the individual or his or her supervisor or superior to the DAEO or designee.

b. Training, Orientation, and Refresher Courses. The guidance in D.3.b.(1) through (4), below, applies when defense contractors provide training, orientation, and refresher courses to Government personnel. These courses range from executive orientation courses in which all expenses are borne by the defense contractor to annual seminars devoted to technical developments in which the only "gratuity" may be lectures given free of charge.

(1) When a course is given pursuant to a contractual undertaking with the Government, the course itself is not a gratuity. The furnishing of meals, lodging, and transportation to the extent required by the contract also is not a gratuity. If lodging, meals, transportation, or other accommodations are furnished as a part of a contract, travel and other expenses chargeable to the Government shall be reduced according to applicable regulations.

(2) Attendance at tuition-free training or refresher courses, or other educational meetings, offered by defense contractors (although not required to do so by the defense contract) may be authorized when attendance is clearly in the

best interest of the Government, and provided that the contractor waives all claims against the Government for such training. In these cases, the training or instruction shall not be regarded as a gratuity.

(3) Selection of personnel to attend courses described in D.3.b.(1) and (2), above, shall be made by the Government and not by the defense contractor. Invitations to individuals to attend courses at the expense of the defense contractor may not be accepted by the individual recipient.

(4) Authorized attendance at courses described in D.3.b.(1) and (2), above, shall be considered official business, with payment of transportation, per diem, tuition, or other training expenses made only by the Government, by the individual attendee, or in accordance with applicable law or regulation. See D.3.e, below.

c. ROTC Staff Member Benefits. Procedures for Reserve Officer Training Corps staff members receiving payments or other benefits offered by educational institutions are set forth in DoD Directive 1215.8 (reference (v)).

d. Reporting Gratuities. DoD personnel who receive gratuities, or have gratuities received for them, under circumstances that are not covered by the standards of this Directive promptly shall report the circumstances to their supervisor or superior for review and to the DAEO or designee. Ultimate disposition of the gratuity shall be determined by the DAEO or designee.

e. Authorized Reimbursements and Benefits. DoD personnel shall not accept from any source, other than the United States Government, cash reimbursement for expenses incident to official travel, except as indicated in D.3.e.(2) and (3), below. DoD personnel shall not accept from any source, other than the United States Government, accommodations, subsistence, transportation or other services in kind, except as indicated in D.3.e. (1), (2), and (3), below. Where acceptance is authorized, DoD personnel shall not accept, either in kind or for cash reimbursement, benefits that are extravagant or excessive in nature. When accommodations, subsistence, transportation or other services in kind are furnished to DoD personnel by sources other than the United States Government and are authorized, appropriate deductions shall be reported and made in the travel, per diem, or other allowances payable by the United States Government to the DoD personnel.

(1) DoD personnel who are to be speakers, panelists, project officers, or other bona fide participants in the activity attended may accept accommodations, subsistence, transportation, or services in kind furnished in connection with official travel

only from sources specifically authorized by 5 U.S.C. 4111 or listed in 26 U.S.C. 501(c)(3) (references (s) and (w)) or other statutory authority, and only when acceptance is approved by the supervisor or superior, consistent with guidance from the DAEO or designee.

(2) DoD personnel may accept travel, or reimbursement for travel expenses, from a foreign government as provided in DoD Directive 1005.13 (reference (t)).

(3) Cash reimbursements other than those specified in D.3.e.(2), above, or accommodations, subsistence, transportation, or other services in kind, may be accepted in accordance with statute when they are gifts to the DoD Component. Cash reimbursements shall not be received physically by an individual but may be received by an official of the DoD Component who is authorized to receive such payments. See 10 U.S.C. 2601 and 46 Comp. Gen. 689 (references (r) and (x)).

f. Ship Launch and Similar Ceremonies. The following guidance applies to ceremonies and gifts associated with the launch or commissioning of a naval vessel, an aircraft or other vehicle, and all similar events:

(1) Attendance at Ceremonies. Acceptance of an invitation to attend a ceremony shall be approved by the commanding officer or head of the activity in which the invitee serves or is employed. Attendance is permitted at appropriate functions incident to the ceremony, such as a dinner preceding the ceremony and the reception following it, as long as the function is not lavish, excessive, or extravagant.

(2) Acceptance of Gifts. DoD personnel, their spouses, and their dependent children, who are official participants may accept a tangible thing of value as a gift or memento in connection with the ceremony as long as its retail value does not exceed $100 per family and the cost is not borne by the Government. When a gift exceeds the $100 limit the recipient shall pursue one of the following alternatives:

(a) return the gift to the donor,

(b) retain the gift after reimbursing the donor the full value of the gift, or

(c) forward the gift to the appropriate DoD Component official for disposition as a gift to the Government in accordance with statute. See 10 U.S.C. 2601 (reference (r)).

g. Use of Government Facilities, Property, and Personnel. The following guidance applies to use of Government facilities, property, and personnel:

(1) DoD personnel have a duty to protect and conserve Government property. Government property, facilities, and personnel shall be used only for official Government business. This includes, but is not limited to, telephone calls, stationery, stenographic services, typing assistance, duplication equipment and services, chauffeur services, and computer facilities. DoD personnel shall not use, directly or indirectly, or allow the use of, any Government property, including property leased to the Government, for other than official purposes.

(2) These prohibitions do not prevent the limited use of Government facilities, property, and personnel for approved activities to promote authorized DoD community relations. See DoD Directives 5410.18 and 5410.19 (references (l) and (m), and D.3.e., above.

(3) Office telecommunications covers all information sending, receiving, and conference services (such as telephone, message, data, video, and facsimile services) available in the office environment.

(4) All DoD personnel are responsible for using office telecommunications services for official use only. The term "official use" means service directly in support of Government business or as otherwise approved by DoD Component authority, as defined by the DoD Component, who is in the supervisory or managerial chain of command, as being in the best interest of the Government.

(a) DoD office telecommunications services are resources provided to conduct business directly in support of the Government.

(b) DoD shall pay only for the official uses of DoD telecommunications services.

(c) Where available and practicable, steps shall be taken to ensure user accountability (i.e., call verification, call restriction, other telecommunications service features).

(d) Employees who make unofficial use of DoD office telecommunications service are subject to appropriate disciplinary action as determined by the DoD Component authority.

(5) DoD facilities, property, and personnel may be used for approved activities to promote authorized DoD community relations and accommodations, subsistence, transportation, or other services in kind may be furnished on a limited basis in connection with such activities. See DoD Directives 5410.18 and 5410.19 (references (l) and (m)).

h. Gambling, Betting, and Lotteries. DoD personnel shall not participate in any unauthorized gambling activity while on property owned, controlled, or leased by the Government or otherwise while on duty for the Government. This includes lotteries, pools, games for money or property, or the sale or purchase of number slips or tickets. This paragraph does not prevent activities that are as follows:

(1) necessitated by an employee's law enforcement duties,

(2) specifically approved by the Head of the DoD Component, or

(3) otherwise authorized by law, such as the sale on DoD premises of state lottery tickets by blind vendors licensed pursuant to the laws of that State.

i. Indebtedness. DoD personnel shall pay their just financial obligations expediently, particularly those imposed by law (such as Federal, State or local taxes) so that their indebtedness does not affect adversely the Government as their employer. DoD Components are not required to determine the validity or amount of disputed debts.

E. RESPONSIBILITIES

1. The Heads of DoD Components shall:

a. through a formal written delegation of authority, appoint a DAEO who is qualified to manage and supervise the DoD Component ethics and standards of conduct programs for both civilian and military personnel,

b. appoint an Alternate Agency Ethics Official who shall serve in the absence of the DAEO,

c. provide sufficient resources (including investigative, audit, legal, and administrative staff) to enable the DAEO to administer the DoD Component ethics programs in a positive and effective manner, and

d. promulgate regulations implementing the requirements of P.L. 95-521, 5 C.F.R. 734 and 735, E.O. 11222, and 10 U.S.C. 2397, 2397a, 2397b, and 2397c (references (c) through (f)) and of this Directive.

2. The Designated Agency Ethics Official (DAEO) shall:

a. coordinate and oversee local implementation of all matters relating to standards of conduct, conflicts of interest, and financial disclosure covered by this Directive,

b. ensure that standards of conduct advice (and facts relied upon for such advice) are in writing when practicable,

c. ensure the proper collection, review, and handling of all financial disclosure reports, including those submitted by Presidential appointees for confirmation purposes, certain executive personnel (SF 278, see enclosure 6), and certain designated military and civilian personnel (DD Forms 1555, see enclosure 5),

d. take aggressive action to collect, review, and maintain DoD and defense related employment reports, including those submitted by regular retired military officers (DD Form 1357, see enclosure 7), and certain present and former officers and employees of DoD Components regarding defense related employment (DD Form 1787, see enclosure 8),

e. ensure that a list of individuals who submit DD Form 1787 during the prior fiscal year and a copy of each report are provided to the DoD Standards of Conduct Office (SOCO) not later than February 28 of each year,

f. initiate and maintain an education and training program concerning all ethics and standards of conduct matters, including post-employment restrictions and reporting requirements,

g. administer a system for periodic evaluation of DoD Component ethics programs, including the financial disclosure reporting systems and defense and DoD related employment reporting systems,

h. initiate prompt, effective action to evaluate and remedy violations, potential violations, and appearances of violations of laws or regulations relating to applicable standards of conduct, conflicts of interest, financial disclosure requirements, or DoD and defense related employment reporting requirements, in accordance with applicable due process procedures, (see 5 CFR Part 737, reference (y)),

i. assign local designees who are attorneys qualified to provide ethics counseling and to implement standards of conduct programs locally,

j. provide advice and assistance to DoD Component personnel not otherwise assigned a local designee,

k. maintain liaison with the Office of Government Ethics (OGE), Office of Personnel Management (OPM), the DoD Standards of Conduct Office (SOCO), and provide to SOCO and OGE all information required by law or regulation.

3. The General Counsel, DoD, shall:

a. serve as the DAEO for the Office of the Secretary of Defense,

b. maintain the DoD SOCO and provide sufficient resources to enable SOCO to oversee and coordinate Component ethics programs, to produce reports required by Congress and maintain report data, and to manage the DoD Ethics Oversight Committee (EOC),

c. provide legal guidance and assistance to the DAEOs of all DoD Components,

d. represent the Department of Defense to the OGE, the Congress, and the Executive Branch on matters relating to ethics and standards of conduct,

e. have the authority to modify or supplement any of the enclosures to this Directive in a manner consistent with this Directive, and

f. establish a DoD EOC including representatives of DoD Components.

4. The DoD Standards of Conduct Office (SOCO) shall:

a. manage the DoD EOC and collect general standards of conduct issues for consideration by the DoD EOC,

b. publish periodic guidance to DoD Components based on recommendations by the DoD EOC to promote uniformity of standards of conduct opinions throughout the Department of Defense,

c. draft DoD input on proposed standards of conduct legislation based on recommendations by the DoD EOC,

d. receive the lists and copies of individual DD Forms 1787 from each DoD Component and compile the information, maintain copies of the lists and individual reports and make them available to the public for inspection during regular working hours,

e. receive individual SF 278 and DD Forms 1555 from officers and employees of the Office of the Secretary of Defense and maintain these reports on file in accordance with statute,

f. provide reports to Congress for the Department of Defense in accordance with statutes, including the preparation of a list of individuals who filed DD Form 1787 during the preceding fiscal year, listed by groups under the names of the appropriate

DoD Components, and submission of that list to the President of the Senate and to the Speaker of the House of Representatives, no later than April 1 of each year,

g. prepare testimony for Congressional standards of conduct hearings and review transcripts,

h. collect and publish important written opinions from DoD Components when practicable to promote uniformity of standards of conduct opinions throughout the Department of Defense,

i. develop educational programs and materials for the Office of the Secretary of Defense that shall serve as models for other DoD Components,

j. present DoD perspectives on ethics to the public and respond to press inquiries.

5. The DoD Ethics Oversight Committee shall:

a. meet on a regular basis,

b. consider general standards of conduct issues collected by the DoD SOCO and make recommendations to promote uniformity of standards of conduct opinions throughout the Department of Defense,

c. provide recommendations to DoD Component DAEOs on particular standards of conduct matters that are not addressed specifically in the Directive,

d. provide recommendations for DoD input on proposed standards of conduct legislation.

6. The Assistant Secretary of Defense (Comptroller) (ASD(C)) shall:

a. prepare an annual report listing the defense contractors that have been awarded $10,000,000 or more in defense contracts during the fiscal year and publish the report in the Federal Register not later than December 15 after the end of the fiscal year. Persons subject to the DD Form 1787 filing requirement may rely upon the annual report that is most current at the time of filing to identify those defense contractors whose employees and former employees are subject to this Directive,

b. prepare an annual report listing all the defense contractors that have been awarded $25,000 or more in defense contracts during the fiscal year,

c. provide SOCO such personnel data on OSD, civilian, officer and employees, and military members serving in OSD as may be required, or permit designated SOCO personnel to have access to personnel records.

F. PROCEDURES

1. Reporting Suspected Violations by DoD Personnel

a. Suspected violations of the criminal statutes listed in enclosure 3 and of this Directive shall be reported promptly to the immediate supervisor of those persons suspected and to the DAEO, or to a law enforcement official.

b. Reports of any violations also may be made to the Inspector General of the Department of Defense in accordance with DoD Directive 7050.1 and DoD Directive 5240.4 (references (z) and (aa)).

c. DoD personnel shall cooperate with official investigations of possible violations.

2. Resolution of a Violation or Its Appearance

a. Resolution of real or apparent standards of conduct violations shall be accomplished promptly.

b. DoD Components are encouraged to establish a procedure that enables consultation and administrative action to resolve violations at the lowest possible command level in accordance with applicable laws, Executive Orders, and this Directive. Detailed administrative enforcement provisions appear in enclosure 11.

c. Resolution shall be accomplished through use of one or more of the following measures:

(1) disqualification from particular official actions (see F.2.d., below),

(2) limitation of duties,

(3) divestiture,

(4) transfer or reassignment,

(5) resignation,

(6) exemption under 18 U.S.C. 208(b) (reference (p)) (see enclosure 3),

(7) other appropriate action as provided by statute or administrative procedure.

d. DoD personnel who have affiliations or financial interests that create conflicts of interest, or the appearance of conflicts of interest, with their official duties must disqualify themselves in writing from any official activities related to those affiliations, interests, or entities involved, unless otherwise expressly authorized by action taken under 18 U.S.C. 208 (reference (p)). See enclosure 3.

(1) Written notice of disqualification must be delivered to a person's superior or supervisor, immediate subordinates, and the DAEO or designee when the official duties or DoD personnel may affect the affiliations, interests, or entities involved.

(2) If DoD personnel cannot perform their official duties adequately after such disqualification, they must divest their interests or be removed from their positions.

(3) DoD Components shall provide for the periodic review of a disqualification by an individual's superior or supervisor to ensure its effectiveness.

3. Financial Disclosure Procedures

a. Statement of Affiliations and Financial Interests (DD Form 1555)

(1) The following DoD personnel must submit initial and annual Statements of Affiliation and Financial Interest (DD Form 1555) unless they are expressly exempted or are required to file a Financial Disclosure Report (SF 278) under F.3.b., below:

(a) commanders and deputy commanders of major installations, activities, and operations, as determined by the Heads of the DoD Components,

(b) DoD personnel classified at GS/GM-15 or below under 5 U.S.C. 5332, (reference (s)) or a comparable pay level under other authority, and members of the military below the rank of 0-7, when the official responsibilities of such personnel require them to exercise judgment in making Government decisions or in taking Government action for contracting or procurement, regulating or auditing private or other nonfederal enterprise, or other activities in which the final decision or action may have economic impact on the interests of any nonfederal activity,

(c) special Government employees, except those exempted by enclosure 5.

(d) DoD personnel serving in positions in which the DoD Component determines that the duties and responsibilities of the position require the officer or employee to file such a report to avoid a conflict of interest or the appearance of a conflict of interest and to carry out the purpose of any statute, Executive Order, or regulation applicable to or administered by that DoD officer or employee.

(2) DoD personnel in positions described in F.3.a.(1), above, may be excluded from all or a portion of the reporting requirements when the DoD Component head or the DAEO determines that:

(a) the duties of the position are such that the possibility of a conflict of interest or appearance of a conflict of interest is remote,

(b) the duties of the position are at such a level of responsibility that the submission of a non-public financial disclosure report is not necessary because of the inconsequential effect on the integrity of the United States Government, or

(c) the use of an existing or alternative approved procedure is adequate to prevent any possible conflict of interest or appearance of a conflict of interest.

(3) DoD Components shall ensure that personnel officers, in coordination with supervisors and ethics counselors, develop systems to identify all positions and persons required to file DD Forms 1555. See FPM, Chapter 734, paragraphs 2 through 3 (reference (bb)).

(4) Additional guidance about the applicability, submission, and review of DD Forms 1555 is in enclosure 5.

b. Financial Disclosure Report (SF 278)

(1) The following DoD personnel are required by the Ethics in Government Act of 1978 (reference (c)) to file Standard Form 278. Instructions are in enclosure 6 (persons required to file SF 278 are not required to file DD Form 1555):

(a) General and Flag officers (pay grade 0-7 and above),

(b) members of the Senior Executive Service (SES),

(c) general schedule (GS) employees, grade 16 and above,

(d) personnel (including special Government employees) whose rate of pay is fixed, other than under the general schedule, at a rate equal to or greater than the minimum rate of pay for GS-16 (GS/GM 15s are not required to file SF 278 even though their pay is higher than that of a GS/GM 16),

(e) employees in the excepted service in positions of a confidential or policymaking character (Schedule C employees). This requirement does not apply to positions that have been excluded by the Director of the OGE.

(2) DoD Components shall ensure that personnel officers, in coordination with supervisors and DAEO's or designees, develop systems to identify all positions and persons required to file SFs 278. See FPM, Chapter 734, paragraphs 2 through 3 (reference (bb)).

(3) Compliance with the financial disclosure provisions of the Ethics in Government Act, P.L. 95-521 (reference (c)), shall be enforced by administrative, civil, or criminal remedies, as appropriate. These are discussed further in enclosure 6.

(4) Additional guidance about the submission, review, and public availability of SF 278 is in enclosure 6.

4. DoD and Defense Related Employment Reporting Procedures

a. Statement of Employment (DD Form 1357). Each retired regular officer of the Armed Forces shall file initially with the Military Department in which he or she holds retired status a DD Form 1357 (Statement of Employment) (enclosure 7). Filing shall be within 60 days after retirement and thereafter within 30 days of changing employer or taking on new duties. The filing requirement continues for three years after retirement.

(1) The Military Departments shall establish procedures for the submission and review of DD Form 1357 to ensure compliance with applicable statutes and regulations. The procedures shall include the requirement that reviewing officials forward an information copy of the initial DD Form 1357 and subsequent changes to the DAEO at the last duty station of the retired regular officer.

(2) Changes to DD Form 1357 must be filed within 30 days after the information in the previous statement has ceased to be accurate.

b. Report of DoD and Defense Related Employment (DD Form 1787)

(1) The following individuals must submit Reports of DoD and Defense Related Employment (DD Form 1787):

(a) each person who has left service or employment with a DoD Component, who:

1 is a retired military officer or former military officer who served on active duty at least 10 years and who held, for any period during that service, the grade of O-4 or above, or is a former civilian officer or employee whose pay at any time during the three year period prior to the end of DoD service or employment was equal to or greater than the minimum rate for a GS-13 at that time,

2 within the two year period immediately following the termination of service or employment with a DoD Component, is employed by a defense contractor who, during the year preceding employment, was awarded $10,000,000 or more in DoD contracts, and

3 is employed by or performs service for the defense contractor and at any time during a year directly receives compensation of or is salaried at a rate of $25,000 per year or more from the defense contractor ("compensation" is received by a person if it is paid to a business entity with which the person is affiliated in exchange for services rendered by that person),

(b) each civilian officer and employee of a DoD Component who:

1 is employed at a pay rate equal to or greater than the minimum rate for a GS-13,

2 within the two year period prior to the effective date of service or employment with the DoD Component, was employed by a defense contractor who, during a year, was awarded $10,000,000 or more in DoD contracts, and

3 was employed by or performed services for the defense contractor and at any time during that year received compensation of or was salaried at a rate of $25,000 per year or more at any time during employment ("compensation" is received by a person if it is paid to a business entity with which the person is affiliated in exchange for services rendered by that person),

(2) DoD Components shall establish administrative procedures for submission, review, and approval of individual reports and for compiling and submission of the information to the DoD SOCO that shall establish administrative procedures for receipt, compilation, and submission to Congress, of the reported information. See E., above.

(3) The public information requirement set out in F.4.b., in the Report of DoD and Defense Related Employment (DD Form 1787), has been assigned OMB Control Symbol 1704-0047.

(4) The transition from the former statutory requirements to the present statutory requirements regarding DD Form 1787 shall take place as follows (see 10 U.S.C. 2397, (reference (f)):

(a) Former DoD personnel to whom the statute applies and who terminated service or employment with the Department of Defense on or after November 7, 1986 shall have until July 1, 1987 to file the initial DD Form 1787 using the new DD Form 1787 dated March 1987.

(b) DoD personnel to whom the statute applies who began service or employment with the Department of Defense on or after November 7, 1986 and before the effective date of this Directive shall file using the new DD Form 1787 dated March 1987.

(c) Former statutory requirements regarding DD Form 1787 do not apply after November 7, 1986. If an individual to whom the requirement applies filed a DD Form 1787 dated January 1, 1971 under the former statutory requirements, the individual shall file again using the new DD Form 1787 dated March 1987 by the deadline date of July 1, 1987.

(5) Additional guidance about the applicability, admission, and review of DD Forms 1787 is in enclosure 8.

G. EFFECTIVE DATE AND IMPLEMENTATION

This Directive shall become effective on the date of publication as a final rule in the Federal Register. Two copies of DoD Component implementing regulations and subsequent amendments and revisions shall be forwarded within 180 days to the DoD General Counsel for approval before promulgation.

William H.

Enclosures - 11
1. References
2. Definitions
3. Digest of Laws
4. Code of Ethics For Government Service
5. Statement of Affiliations and Financial Interests (DD Form 1555)
6. Financial Disclosure Report (SF 278)
7. DD Form 1357, MAR 87
8. Report of DoD and Defense Related Employment (DD Form 1787)
9. Report of Potential Employment Contacts
10. Employment Restrictions on Certain Former DoD Officials
11. Administrative Enforcement Provisions

REFERENCES, continued

(e) Executive Order 11222, May 8, 1965.
(f) Title 10, United States Code, Sections 2397, 2397a, 2397b, 2397c
(g) DoD Directive 1100.15, "The Department of Defense Equal Opportunity Program," June 3, 1976
(h) DoD Directive 1020.1, "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of Defense," March 31, 1982
(i) Public Law 96-303, "Code of Ethics for Government Service," July 3, 1980
(j) DoD Directive 5230.9, "Clearance of DoD Information for Public Release," April 2, 1982
(k) DoD Directive 5035.1, "Fund-Raising within the Department of Defense," April 7, 1978
(l) DoD Directive 5410.18, "Community Relations," July 3, 1974
(m) DoD Directive 5410.19, "Armed Forces Community Relations," July 19, 1979
(n) DoD Directive 5500.2, "Policies Governing Participation of Department of Defense Components and Personnel in Activities of Private Associations," August 4, 1972
(O) DoD Instruction 5410.20, "Public Affairs Relations with Business and Nongovernmental Organization Representing Business," January 16, 1974
(p) Title 18, United States Code, Sections 4, 201, 203, 205, 207, 208, 209, 219, 281, 283, 285, 371, 600-603, 606, 607, 641, 643, 653, 654, 793, 798, 1001, 1719, 1905, 1913, 1917, 1918 and 2071
(q) Title 2, United States Code, Section 441i
(r) Title 10, United States Code, Sections 974, 976, 2302 and 2601
(s) Title 5, United States Code, Sections 210 (Appendix 4), 551, 552, 1001, 2301, 2302, 3344, 4111, 5305, 5332, 7311, 7321-7327, 7351, and 7352
(t) DoD Directive 1005.13, "Gifts from Foreign Governments," June 7, 1983
(u) DoD Directive 1322.6, "Fellowships, Scholarships, and Grants for Members of the Armed Forces," August 4, 1981
(v) DoD Directive 1215.8, "Senior Reserve Officer Training Corps Program," April 17, 1985
(w) Title 26, United States Code, Section 501
(x) Title 46, Comptroller General, Page 689
(y) Title 5, Code of Federal Regulations, Parts 340.202 and 737
(z) DoD Directive 7050.1, "DoD Hotline," May 14, 1982
(aa) DoD Directive 5240.4, "Reporting of Counterintelligence and Criminal Violations," July 28, 1983
(bb) Federal Personnel Manual, Chapter 734
(cc) DoD Directive 5400.7, "DoD Freedom of Information Act Program," March 24, 1980
(dd) DoD Directive 1344.7 "Personal Commercial Solicitation on DoD Installation" February 13, 1986
(ee) Title 37, United States Code, Sections 801 and 908

(ff) DoD Directive 1402.1, "Employment of Retired Members of the Armed Forces," January 21, 1982
(gg) Title 50, United States Code, Section 783
(hh) Title 31, United States Code, Section 638a
(ii) DoD Directive 1344.10, "Political Activities by Members of the Armed Forces," September 25, 1986
(jj) United States Constitution, Article I, Section 9, Clause 8

DEFINITIONS

1. Compensation. Includes any payment, gift, benefit, reward, favor, or gratuity which is provided directly or indirectly for services rendered by the person accepting such payment and which has a fair market value in excess of $250. Compensation shall be deemed indirectly received if it is paid to an entity other than the individual, in exchange for services performed by the individual.

2. Defense Contractor. Any individual, firm, corporation, partnership, association, or other legal entity that enters into a contract directly with the Department of Defense to furnish services, supplies, or both, including construction, to the Department of Defense. Subcontractors are excluded, as are subsidiaries unless they are separate legal entities that contract directly with the Department of Defense in their own names. Foreign governments or representatives of foreign governments that are engaged in selling to the Department of Defense are defense contractors when acting in that context.

3. Designated Agency Ethics Official (DAEO). An officer or employee of a component who has been appointed, pursuant to DoD Component procedures, to administer the provisions of the Ethics in Government Act. The DAEO for the Office of the Secretary of Defense is the General Counsel.

4. DoD Component. The Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), the Unified and Specified Commands, the Inspector General, and the Defense Agencies, including nonappropriated fund activities. The term does not refer to offices, divisions, or sections that are part of a larger Defense Agency.

5. DoD Personnel. All civilian officers and employees, including special Government employees, of all the offices, agencies, and DoD departments (including nonappropriated fund activities), all Regular and Reserve component officers (commissioned and warrant) and enlisted members of the Army, Navy, Air Force, and Marine Corps on active duty, and Reserve component officers (commissioned and warrant) and enlisted members on inactive duty for training. This definition includes professors and cadets of the Military Service academies.

6. Employment (and all variations). Except where expressly defined differently, this term is used in a broad sense to include services performed as a consultant, lawyer, agent or other kind of assistant, part-time or full-time, either for a defense contractor or a DoD Component.

7. Former Military Officer. Reserve officers not on active duty are included in the meaning of this phrase.

8. Gratuity. Any gift, favor, entertainment, hospitality, transportation, loan, any other tangible item, and any intangible benefits, including discounts, passes, and promotional vendor training, given or extended to or on behalf of DoD personnel, their immediate families, or households, for which fair market value is not paid by the recipient or the U.S. Government.

9. Honorarium (and all variations). A payment of money or anything of value received by an officer or employee of the Federal Government, if it is accepted as consideration for an appearance, speech, or article. The term does not include payment for or provision of actual travel and subsistence, including transportation, accommodations, and meals of an officer or employee and spouse or aide, and does not include amounts paid or incurred for any agent's fees or commissions.

10. Inside Information. Information generally not available to the public and obtained by reason of one's official DoD duties or position. See DoD Directive 5400.7 (reference (cc)).

11. Major Defense Contractor. Any business entity which, during the fiscal year preceding the fiscal year in which compensation was first received, was a defense contractor that received defense contracts in a total amount equal to or greater than $10,000,000 (see enclosure 10).

12. Major Defense System. A combination of elements that will function together to produce the capability required to fulfill a mission need. Elements may include hardware, equipment, software, or any combination thereof, but excludes construction or other improvements to real property. A system shall be considered a major defense system if (a) the Department of Defense is responsible for the system and the total expenditures, for research, development, test, and evaluation for the system are estimated to exceed $75,000,000 (based on fiscal year 1980 constant dollars) or the eventual total expenditure for procurement exceeds $300,000,000 (based on fiscal year 1980 constant dollars); or (b) the system is designated a "major system" by the head of the agency responsible for the system. See 10 U.S.C. 2302 (reference (r)).

13. Personal Commercial Solicitation. Any effort to contact an individual to conduct or transact matters involving business, finance, or commerce. This does not include off-duty employment of DoD personnel as employees in retail stores. See DoD Directive 1344.7 (reference (dd)).

14. Procurement Related Function (or "procurement function"). Any function relating to: a) the negotiation, award, administration, or approval or a contract; b) the selection of a contractor; c) the approval of a change in a contract; d) the performance of quality assurance, operational and developmental testing, the approval of payment, or auditing under a contract; or e) the management of a procurement program.

15. Retired Military Officer. Any officer entitled to receive military retired pay, even though such pay may be waived.

16. Special Government Employee. A person who is retained, designated, appointed, or employed to perform, with or without compensation, for a period not to exceed 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis. The term also includes a Reserve officer who is serving on active duty involuntarily or for training for any length of time, and one who is serving voluntarily on extended active duty for 130 days or less. It does not include enlisted personnel.

DIGEST OF LAWS

A. CONFLICT OF INTEREST LAWS APPLICABLE TO DoD PERSONNEL

1. 18 U.S.C. 203 (reference (p))

a. 18 U.S.C. 203 (a) prohibits officers or Government employees (other than enlisted personnel) from directly or indirectly receiving or seeking compensation for services rendered or to be rendered before any department or agency in connection with any contract, claim, controversy or particular matter in which the United States is a party or has a direct and substantial interest. The purpose of this section is to reach any situation, including those where there is no intent to be corrupted or to provide preferential treatment, in which the judgment or efficiency of a Government agency might be influenced because of payments or gifts, made by reason of the position occupied, to that official in a manner otherwise than provided by law.

b. 18 U.S.C. 203 (b) makes it unlawful to offer or pay compensation, the solicitation or receipt of which is barred by subsection (a).

2. 18 U.S.C. 205 (reference (p))

a. 18 U.S.C. 205 prohibits Government personnel (other than enlisted personnel) from acting as an agent or attorney for anyone else before a department, agency, or court in connection with any particular matter in which the United States is a party or has a direct and substantial interest.

b. The following exemptions are allowed:

(1) 18 U.S.C. 205 does not prevent Government personnel from giving testimony under oath or making statements required to be made under penalty of perjury or contempt or from representing another person, without compensation, in a disciplinary, loyalty, or other personnel administration proceeding.

(2) 18 U.S.C. 205 also authorizes a limited waiver of its restrictions and those of 18 U.S.C. 203 for the benefit of an officer or employee, including a special Government employee, who represents his or her parents, spouse, or child, or a person or estate he or she serves as a fiduciary. The waiver is available only if approved by the official making appointments to the position. In no event does the waiver extend to the appointee's representation of any such person in matters in which he or she has participated personally and substantially or which, even in the absence of such participation, are the subject of his or her official responsibility.

(3) 18 U.S.C. 205 gives the Head of a department or agency the authority to allow a special Government employee to represent his or her regular employer or other outside organization in the performance of work under a Government grant or contract if the department or agency Head certifies and publishes in the Federal Register that the national interest requires such representation.

3. 18 U.S.C. 208 (reference (p))

a. 18 U.S.C. 208 (a) requires Executive Branch personnel (other than enlisted personnel) to refrain from personal and substantial participation as Government personnel through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any particular matter in which, to their knowledge, they, their spouses, their minor children, their partners, their employers or their prospective employers, or their organizations, have a financial interest. A "particular matter" may be less concrete than an actual contract, but is something more specific than rule making or abstract scientific principles. The test is whether the individual might reasonably anticipate that his or her Government action, or the decision in which he or she participates or with respect to which he or she advises, will have a direct and predictable effect on such financial interests.

b. 18 U.S.C. 208 (b) permits agencies to grant an exemption in writing from subsection (a) if the outside financial interest is deemed in advance not substantial enough to affect the integrity of Government services. Categories of financial interests may also be made nondisqualifying by a general regulation published in the Federal Register. Shares of a widely held, diversified mutual fund or regulated investment company have been exempted as being too remote or inconsequential to affect the integrity of the services of Government personnel.

4. 18 U.S.C. 209 (reference (p))

Title 18, United States Code, Section 209 (a) prohibits Executive Branch personnel (other than enlisted personnel) from receiving, and anyone from paying them, any salary or supplementation of salary from a private source as compensation for their Government service. Subsection (b) permits participation in a bona fide pension plan or other employee welfare or benefit plan maintained by a former employer. Subsection (c) exempts special Government employees and anyone serving the Government without compensation. Subsection (d) exempts contributions, awards, or other expenses under the Government Employees Training Act. See 5 U.S.C. 4111 (reference (s)).

5. 10 U.S.C. 2397a (reference (f))

Title 10, United States Code, Section 2397a applies to DoD employees at pay rates of GS-11 or higher and to officers in pay grades O-4 or higher. Such officials must report any contact they have had, or will have, with defense contractors regarding future employment with the defense contractor in any DoD procurement. Such officials also must disqualify themselves from any participation in DoD procurement related to the defense contractor. The penalty for violation is a bar from employment with the defense contractor for ten years after Government service and up to $10,000 (enclosure 9).

B. POST GOVERNMENT SERVICE STATUTORY RESTRICTIONS

1. 10 U.S.C. 2397 (reference (f))

a. Former DoD Officers and Employees. The first section applies to: 1) retired military officers or former military officers who served on active duty at least 10 years at the grade of O-4 or higher and former civilian officers or employees who served at a GS-13 pay rate or higher, 2) who, within two years of leaving DoD, are employed by defense contractors awarded at least $10,000,000 in defense contracts, and 3) receive compensation from that defense contractor at an annual rate of $25,000 or more.

b. Present DoD Officers and Employees. The second section applies to: 1) Civilian officers and employees paid as GS-13 or higher, 2) who, within two years prior to beginning with the DoD Component, were employed by a defense contractors awarded at least $10,000,000 in DoD contracts, 3) and received compensation from that defense contractor at an annual rate of $25,000 or more.

c. Affirmative Duty to File Report. These individuals shall file reports giving their name and address, the name and address of the defense contractor, a description of duties with the defense contractor, a description of duties with the DoD Component, and other information required on DD Form 1787. The penalty for failure to file is a fine of up to $10,000 (enclosure 9).

2. 10 U.S.C. 2397b (reference (f))

Title 10, United States Code, Section 2397b applies to former DoD officers and employees serving at a pay rate equal to or greater than the minimum pay rate for GS-13 or higher and O-4 or higher who: 1) spent the majority of their working days during the last two years of DoD service performing procurement related functions related to a defense contract at a site or plant that was owned or operated by the contractor and that was the principal location of performance of such duties, or 2) spent the majority of their working days during the last two years of their DoD service performing personally and substantially in a decision-making capacity through contact with a contractor on a major defense system. The statute also restricts those in the grades of SES or 0-7 or higher, who performed duties as a primary representative of the United States while either negotiating a defense contract or settling a contractor's claim in an amount in excess of $10,000,000. The penalty for violation of this statute is a fine up to $250,000 (enclosure 10).

3. 18 U.S.C. 203 (reference (p))

Title 18, United States Code, Section 203 makes it a criminal offense for a former Government employee to share in any compensation for representation before any Government agency in relation to a particular matter in which the United States is a party or has a direct and substantial interest, regardless of whether it was before the agency of which the individual is a former employee, during the period of his or her Government service or employment. It covers compensation received only in connection with actual or constructive appearances before an agency. This section does not apply to former Government employees who receive fixed salaries, as opposed to shares of profits, as compensation for their services.

4. 18 U.S.C. 207 (reference (p))

a. Permanent Restriction on Representation

Title 18, United States Code, Section 207 (a) permanently prohibits all former officers or employees (other than enlisted personnel) from knowingly representing anyone other than the United States or, with an intent to influence, making any oral or written communication on behalf of someone, in connection with a particular matter involving a specific party or parties in which the United States is a party or has a direct and substantial interest and in which the individual participated personally and substantially for the Government.

b. Two-year Restriction on Representation

(1) 18 U.S.C. 207 (b)(1) restricts former officers or employees who terminate Government service on or after July 1, 1979, for two years after termination of service. Such persons may not act as agent or attorney or otherwise represent others in formal or informal appearances before the Government in connection with particular matters that were pending under the former employee's official responsibility during the final year of service. This restriction includes oral or written communications as described in B.4.a. of this enclosure, above.

(2) "Official responsibility" includes the direct administrative or operating authority, whether intermediate or final, either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Government actions. Ordinarily, the scope of an employee's official responsibility is determined by reference to the pertinent statute, regulation, Executive Order, job description, or delegation of authority.

c. Additional Restrictions Applicable to Senior Employees

(1) A "senior employee" includes all civilian officials at the executive level and all three and four star generals and flag officers. It also includes other persons holding positions designated as "senior employee" positions by the Director, Office of Government Ethics, as involving significant decision-making or supervisory responsibility. A list of designated positions is published annually in the Federal Register.

(2) For two years after leaving Government service, a former senior employee may not assist in the representation of another person by personal presence at an appearance before the Government on any particular matter in which he or she personally and substantially participated while in Government service (18 U.S.C. 207(b)(ii), (reference (p)). While such employees, for example, may work on a contract with which they were involved while in Government service, they may not render assistance while in attendance at any meetings, negotiations, or proceedings with the Government at which the prospective rights of the Government are addressed.

(3) For one year after leaving Government service, a former senior employee may not represent another person or himself or herself in attempting to influence his or her former agency in any matter pending before, or of substantial interest to, that agency (18 U.S.C. 207(c)) (reference (p)). This provision does not require that the former employee have any prior involvement in the particular matter. The prohibition does not apply to communications made by a former senior employee who is an elected official or employee of a State or local government, acting on behalf of that government, or to communications on behalf of a degree granting institution of higher learning, or nonprofit hospitals or medical institutions by a former senior employee who is principally employed by those institutions or medical organizations. It also does not apply to purely social or informational communications, responses to requests from the former agency, or to expressions of personal views when the former senior employee has no pecuniary interest. The provision results in a one year "cooling off" period to prevent the possible use of personal influence based on past Government affiliations to facilitate the transaction of business.

d. Exceptions to Post Government Service Restrictions

(1) The restrictions of 18 U.S.C. 207 do not apply to communications made solely for the purpose of furnishing scientific or technological information in accordance with procedures established by the DoD Component concerned (reference (p)).

(2) The restrictions of 18 U.S.C. 207 do not apply when the Head of a DoD Component, in accordance with established procedures, certifies that a former officer or employee has outstanding scientific or technological qualifications and that the U.S. national interest would be served by that person's participation in a particular matter (reference (p)).

C. LAWS PARTICULARLY APPLICABLE TO RETIRED REGULAR OFFICERS

1. Claims

a. A retired regular officer of the Armed Forces may not, within two years of retirement, act as agent or attorney for prosecuting any claim against the Government, or assist in the prosecution of such a claim, or receive any gratuity or any share of or interest in such a claim in consideration for having assisted in the prosecution of such a claim, if such claim involves the Military Department in which service he or she holds a retired status. See 18 U.S.C. 283 (reference (p)).

b. A retired Regular officer of the Armed Forces may never act as agent or attorney for prosecuting any claim against the Government, or assist in the prosecution of such a claim, or receive any gratuity or any share of or interest in such a claim in consideration for having assisted in the prosecution of such a claim if such a claim involves any subject matter with which he or she was directly connected while on active duty. See 18 U.S.C. 283 (reference (p)).

2. Selling

a. A retired Regular officer is prohibited, at all times, from representing any person in the sale of anything to the Government through the Military Department in which service he or she holds a retired status. See 18 U.S.C. 281 (reference (p)).

b. Payment may not be made from any appropriation, to an officer on a retired list of the Regular Army, the Regular Navy, the Regular Air Force, the Regular Marine Corps, the Regular Coast Guard, the National Oceanic and Atmospheric Administration, or the Public Health Service, for a period of three years after his or her name is placed on that list, who is engaged for himself, herself or others in selling, or contracting or negotiating to sell, supplies or war materials to an agency of the Department of Defense, the

Coast Guard, the National Oceanic and Atmospheric Administration, or the Public Health Service. See 37 U.S.C. 801(b) as amended, October 9, 1962, (reference (ee)).

c. For the purpose of this statute, "selling" means:

(1) signing a bid, proposal, or contract,

(2) negotiating a contract,

(3) contacting an officer or employee of any of the foregoing departments or agencies to obtain or negotiate contracts, negotiate or discuss changes in specifications, price, cost allowances, or other terms of contract, or settle disputes concerning performance of a contract, or

(4) any other liaison activity with a view toward the ultimate consummation of a sale although the actual contract subsequently is negotiated by another person.

3. Employment with the Department of Defense.

A retired regular officer of the Armed Forces may not be appointed to a position in the civil service in the Department of Defense (including nonappropriated fund instrumentalities) within 180 days following retirement unless the following conditions set out in DoD Directive 1402.1 (reference (ff)) are met:

a. the appointment is authorized by the Secretary of a Military Department, or designee, and, if applicable, by the Office of Personnel Management,

b. the minimum rate of basic pay for the position has been increased under 5 U.S.C. 5305, (reference (s)), or

c. a state of national emergency exists.

D. OTHER LAWS APPLICABLE TO DoD PERSONNEL

Engaging in the following activities may subject present and former DoD personnel to criminal or other penalties:

1. aiding, abetting, counseling, commanding, inducing, or procuring another to commit a crime under any criminal statute (see 18 U.S.C. 201, reference (p));

2. concealing or failing to report to proper authorities the commission of a felony under any criminal statute if such personnel knew of the actual commission of the crime (see 18 U.S.C. 4, reference (p));

3. conspiring with one or more persons to commit a crime under any criminal statute or to defraud the United States, if any party to the conspiracy does any act to effect the object of the conspiracy (see 18 U.S.C. 371, reference (p));

4. lobbying with appropriated funds (see 18 U.S.C. 1913, reference (p));

5. disloyalty and striking (see 5 U.S.C. 7311, 18 U.S.C. 1918, reference (s) and (p));

6. disclosure of classified information (see 18 U.S.C. 793 and 798, reference (p), 50 U.S.C. 783, reference (gg)); and disclosure of trade secrets and other confidential information (see 18 U.S.C. 1905, reference (p));

7. habitual use of intoxicants to excess (see 5 U.S.C. 7352, reference (s));

8. misuse of a Government vehicle (see 31 U.S.C. 638a(c)(2), reference (hh));

9. misuse of the mailing privilege (see 18 U.S.C. 1719, reference (p));

10. deceit in an examination or personnel action in connection with Government employment (see 18 U.S.C. 1917, reference (p));

11. committing fraud or making false statements in a Government matter (see 18 U.S.C. 1001, reference (p));

12. mutilating or destroying a public record (see 18 U.S.C. 2071, reference (p));

13. counterfeiting and forging transportation requests (see 18 U.S.C. 641, reference (p));

14. embezzlement of Government money or property (see 18 U.S.C. 641, reference (p)); failing to account for public money (see 18 U.S.C. 643, reference (p)); private use of public money (see 18 U.S.C. 653, reference (p)); and embezzlement of the money or property of another person in the possession of an employee by reason of his Government employment (see 18 U.S.C. 654, reference (p));

15. unauthorized use of documents relating to claims from or by the Government (see 18 U.S.C. 285, reference (p));

16. certain political activities (see 5 U.S.C. 7321-7327, reference (s) and 18 U.S.C. 600, 601, 602, 603, 606, and 607, reference (p), which apply to civilian employees and see DoD

Directive 1344.10, reference (ii), which applies to military personnel);

17. any person (including a special Government employee) who is required to register under the Foreign Agents Registration Act of 1938 (see 18 U.S.C. 219, reference (p)), serving the Government as an officer or employee (the section does not apply to (1) retired regular officers who are not on regular duty, or reserves who are not on active duty or who are on active duty for training, or (2) a special Government employee in any case in which the department Head certifies to the Attorney General that his or her employment by the United States Government is in the national interest);

18. soliciting contributions for gifts or giving gifts to superiors, or accepting gifts from subordinates (see 5 U.S.C. 7351, reference (s), which applies only to civilian employees; regulations set out at D.2.c.(1) in this Directive govern military personnel);

19. accepting of excessive honoraria (see 2 U.S.C. 441i, reference (q));

20. accepting, without statutory authority, any present, emolument, office or title, or employment of any kind whatever, from any king, prince, or foreign state by any person holding any office or profit in or trust of the Federal Government, including all retired military personnel and regular enlisted personnel (U.S. Constitution, Art. I, Sec. 9, cl. 8, reference (jj), exceptions to this prohibition are authorized under 37 U.S.C. 908, reference (ee));

21. union activities of military personnel (10 U.S.C. 976, reference (r));

22. violation of merit system principles (see 5 U.S.C. 2301, reference (s));

23. prohibited personnel practices (see 5 U.S.C. 2302, reference (s));

24. civilian presidential appointees occupying full-time positions, appointment to which is required to be made with the advice and consent of the senate, in any calendar year earning outside income in excess of 15 percent of their Government salary (see 5 U.S.C. 210, Appendix 4, reference (s));

25. employment of an officer of the Regular Navy or the Regular Marine Corps, other than a retired officer, by a person furnishing naval supplies or war materials to the United States (see 37 U.S.C. 801(a), reference (ee)).

CODE OF ETHICS FOR GOVERNMENT SERVICE

A. Any person in government service should:

1. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or government department.

2. Uphold the constitution, laws, and regulations of the United States and of all governments therein and never be a party to their evasion.

3. Give a full day's labor for a full day's pay; giving earnest effort and best thought to the performance of duties.

4. Seek to find and employ more efficient and economical ways of getting tasks accomplished.

5. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept for himself or herself or for family members, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of governmental duties.

6. Make no private promises of any kind binding upon the duties of office, since a government employee has no private word which can be binding on public duty.

7. Engage in no business with the government, either directly or indirectly, which is inconsistent with the conscientious performance of governmental duties.

8. Never use any information gained confidentially in the performance of governmental duties as a means for making private profit.

9. Expose corruption wherever discovered.

10. Uphold these principles, ever conscious that public office is a public trust.

STATEMENT OF AFFILIATIONS AND FINANCIAL INTERESTS (DD Form 1555)

A. DoD PERSONNEL REQUIRED TO SUBMIT STATEMENTS

1. DoD personnel required to file a Statement of Affiliations and Financial Interests (DD Form 1555) are as follows:

a. The following DoD personnel must submit initial and annual Statements of Affiliation and Financial Interests (DD Form 1555) unless they are expressly exempted or are required to file a Financial Disclosure Report (SF 278):

(1) commanders and deputy commanders of major installations, activities, and operations, as determined by the Heads of the DoD Components,

(2) DoD personnel classified at GS/GM-15 or below, under 5 U.S.C. 5332, (reference (s)) or a comparable pay level under other authority, and members of the military below the rank 0-7, when the official responsibilities of such personnel require them to exercise judgment in making Government decisions or in taking Government action for contracting or procurement, regulating or auditing private or other nonfederal enterprise, or other activities in which the final decision or action may have economic impact on the interests or any nonfederal activity,

(3) special Government employees, except those exempted in A.2.a., below,

(4) DoD personnel serving in positions in which the agency determines that the duties and responsibilities of the position require the officer or employee to file such a report to avoid a conflict of interest or the appearance of a conflict of interest and to carry out the purpose of any statute, Executive order, or regulation applicable to or administered by that DoD officer or employee.

b. DoD personnel in positions described in A.1.a., above may be excluded from all or a portion of the reporting requirements when the DoD Component Head or the Designated Agency Ethics Official (DAEO) determines that:

(1) the duties of the position are such that the possibility of a conflict of interest or appearance of a conflict of interest is remote,

(2) the duties of the position are at such a level of responsibility that the submission of a non-public financial disclosure report is not necessary because of the inconsequential effect on the integrity of the United States Government, or

(3) the use of an existing or alternative approved procedure is adequate to prevent any possible conflict of interest or appearance of a conflict of interest.

c. DoD Components shall ensure that personnel officers, in coordination with supervisors and ethics counselors, develop systems to identify all positions and persons required to file DD Forms 1555. See FPM, chapter 734, paragraphs 2 through 3 (reference (bb)).

2. Except as provided in A.2.a. and A.2.b., below, each member of any DoD advisory committee or DoD Component advisory committee who is not required to file an SF 278, before appointment, shall file a DD Form 1555.

a. Categories of special Government employees who are not required to file DD Forms 1555, unless specifically required by the DAEO to do so, are as follows:

(1) physicians, dentists, and allied medical specialists engaged only in providing services to patients,

(2) veterinarians providing only veterinary services,

(3) lecturers participating only in educational activities,

(4) chaplains performing only religious services,

(5) individuals in the motion picture and television fields who are utilized only as narrators or actors in DoD productions,

(6) reservists on active duty for less than 30 consecutive days during the calendar year.

b. The DAEO may determine that the submission of statements is not necessary for certain positions because of the remoteness of any impairment of the integrity of the Government and the degree of supervision and review of the incumbent's work. Such determinations shall be documented fully and retained by the DAEO of the DoD Component concerned.

3. All positions in the categories indicated in A.1., above, shall be reviewed annually by the proper supervisor in consultation with the DAEO or designee.

a. If a determination is made as a result of this review, that the incumbent of the position must file a DD Form 1555, he or she shall be so informed in writing by the proper personnel officer, and the requirement for such filing will be included in the applicable document describing the duties and responsibilities of the position.

b. A person who believes that he or she has been required improperly to file a DD Form 1555 may request a review of the decision through established grievance procedures of the DoD Component.

B. CONTENT OF REPORT

1. Instructions for completing DD Forms 1555 are included as part of the form (see attachment to enclosure 5). Additional guidance for personnel required to file is available from the DAEO or designee.

2. The interest of a spouse, minor child, or any member of one's household shall be reported as if it were an interest of the individual. The following interests of a spouse need not be reported:

a. a final decree of separation,

b. an interim or interlocutory decree, or

c. a separation agreement formally executed by the parties in anticipation of its incorporation into a final decree of divorce or separation.

3. DoD personnel are not required to submit any information relating to their connection with or interest in a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization or similar organization not conducted as a business for profit. Educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government shall be included in a person's statement.

4. An employee need not disclose the assets of, sources of income of, or transactions of, a trust if:

a. the trust is a qualified blind or qualified diversified trust certified by the Office of Government Ethics and is otherwise reported on the DD Form 1555 by name of trust and date of execution, or

b. the trust is an "excepted" trust, defined as follows:

(1) a trust that was not created by the officer or employee, or the employee's, spouse or dependent child;

(2) with holdings or sources of income of which the officer or employee, or spouse or dependent child have no knowledge, and

(3) which is disclosed as an asset or income source on the report.

C. SUBMISSION AND REVIEW OF STATEMENTS

1. Time of Filing

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a. Initial Statements. Before the assumption of duties~~,~~ in ~~but no later than 45 days following the reporting individual's entry into~~ a position that requires the filing of the DD Form 1555, the reporting individual shall file the required statement either with the new superior and supervisor, or with the DAEO or designee.

b. Annual Statements. DD Form 1555 shall be filed by October 31 of each year for all affiliations and financial interests held as of ~~September~~ November 30 of that year. Even though no changes occur, a complete statement is required.

c. Special Government Employees. Reports from special Government employees shall be collected initially ~~no later than~~ before ~~30 days following~~ appointment and thereafter, during any year they actually serve, on either the same date required of annual filers or a time period that begins 45 days prior to and extends to the first date the special Government employee actually provides services to the agency that year.

d. Excusable Delay. For annual statements only, the ~~The~~ DAEO or designee may grant a written extension of time to file a DD Form 1555 when the extension is necessitated by duty assignment, infirmity, or other good cause. Any extension in excess of 45 days requires the concurrence of the DAEO or his or her designee. Any late statement must include a notation of any extension of time granted.

2. Submission

a. Personnel of the Unified Commands shall submit their statements through their superiors or supervisors to the DAEO or designee in the Office of the Legal Advisor to the Unified Command. Commanders who have a dual responsibility as commanders of both joint commands and DoD Components shall submit their statements through Military Service channels.

b. Military Department and other DoD Component personnel shall submit their statements through their immediate superiors or supervisors for review and forwarding to officials designated in the DoD Components implementing regulations.

c. Before the commencement of service or assumption of new duties and annually thereafter, all statements shall be reviewed and approved by the DAEO or designee and the immediate superior or supervisor. An initial review by the certifying official shall be completed within 60 days after the date of filing.

3. Review

a. The reviewing official shall review each report to determine that:

(1) each item is completed, and

(2) no interest or position disclosed on the form violates or appears to violate the following:

(a) any applicable provision of chapter 11 of title 18 of the United States Code (part 1),

(b) The "Ethics in Government Act of 1978," (P.L. 95-521, reference (c)) as amended, and any regulations promulgated thereunder,

(c) E.O. 11222 (reference (e)), as amended, and any regulations promulgated thereunder, or

(d) any other related statute or regulation applicable to the employees of the agency.

b. The reviewing official shall not sign and date the report until the determination described in C.3.a., above, is made. A reviewing official need not audit the report to ascertain whether the disclosures are correct; disclosures are to be taken at "face value" unless there is a patent omission or ambiguity or the official has independent knowledge of matters outside the report. A report that is signed by a reviewing official shall signify that the agency has found that the information in the report discloses no conflict of interest under applicable laws and regulations and that the report fulfills the requirements set out in C.3.a., above.

c. If the reviewing official believes that additional information is required, the reporting individual shall be notified in writing of the additional information required and the date by which it must be submitted. The reporting individual shall submit the required information directly to the reviewing official.

d. If the reviewing official concludes that the report is completed properly and that no item violates, or appears to violate, applicable statute or regulation, then such official shall sign and date the report. ~~and notify the reporting individual in writing that this action was taken.~~ Ch 1 9/6/88

e. DoD personnel shall request submission on their behalf of required information that is known only to other persons. The submission may be made with a request for confidentiality that shall be honored even if it includes a limitation on disclosure to the reporting individual.

D. REMEDIAL ACTION

1. If the reviewing official concludes that the filing individual is not in compliance with applicable laws or regulations, the reviewing official shall do the following:

a. notify the reporting individual in writing of the preliminary determination,

b. afford the reporting individual an opportunity for personal consultation, if practicable,

c. determine what remedial action should be taken to bring the reporting individual into compliance, and

d. notify the reporting individual in writing of the remedial action required, indicating a date by which that action must be taken.

2. Except in unusual situations, which must be documented fully to the satisfaction of the reviewing official, remedial action shall be completed within 90 days from the date the reporting individual was notified that the action is required.

3. Remedial steps may include the following measures:

a. disqualification,

b. limitation of duties,

c. divestiture,

d. transfer or reassignment,

e. resignation,

f. exemption under 18 U.S.C. 208(b) (reference (p)), or

g. establishment of a qualified blind trust.

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4. When the reviewing official determines that a reporting person has complied fully with the remedial measures, a notation to that effect shall be made ~~in the comment section of the~~ on the DD Form 1555. The reviewing official then shall sign and date the DD Form 1555 ~~1787. and send written notice of that action to the reporting individual.~~

5. If steps ensuring compliance with applicable laws and regulation are not taken by the date established, the reviewing official shall report the matter to the Head of the DoD Component for appropriate action.

E. CONFIDENTIALITY OF STATEMENTS OF DoD PERSONNEL

Each DD Form 1555 shall be held in confidence. A DoD Component shall not disclose information from a statement except for good cause, as determined by the DAEO or designee, or by the Office of Government Ethics. Persons designated to review and process the statements are responsible for maintaining the statements in confidence. They shall not allow access to or disclosure from the statements except to carry out the purposes of this Directive. Inspections by Government officials charged with the responsibility for determining the proper operation of the financial disclosure reporting system are allowed.

F. RETENTION OF STATEMENTS

DD Forms 1555 shall be retained for 6 years from the date of filing.

G. PENALTIES

1. Administrative penalties. Any individual failing to file a report or falsifying or failing to file required information, may be subject to any appropriate personnel or other action in accordance with applicable law or regulation, including adverse action.

2. Criminal liability. Any individual who knowingly or willfully falsifies information on a report required to be filed under this enclosure also may be subject to criminal prosecution under 18 U.S.C. 1001 (reference (p)).

Attachments - 1
1. DD Form 1555, MAR 87

DD Form 1555, MAR 87 Encl 1, DCAAR 5500.2

CONFIDENTIAL STATEMENT OF AFFILIATIONS AND FINANCIAL INTERESTS
DEPARTMENT OF DEFENSE PERSONNEL
(Including Special Government Employees)

(If additional space is required use separate sheets referencing item numbers below.)

Privacy Act Statement

JTHORITY: E.O. 11222 dated May 8, 1965 and E.O. 9397 dated November 22, 1943 (SSN)

PRINCIPAL PURPOSE: Information is required from categories of DoD personnel specified in DoD Directive 5500.7 Section F.3.a and Enclosure 5, or implementing regulations, to enable supervisors and other responsible DoD officials to determine whether there are actual or apparent conflicts of interest between the individual's present and prospective official duties and the individual's non-federal affiliations and financial interests.

ROUTINE USE: This information shall be treated as confidential except as determined by the component head concerned or the Office of Government Ethics.

DISCLOSURE: Filing is voluntary in the sense that no criminal penalties will follow from refusal to file. However, the refusal to provide requested information may result in such measures as suspension of consideration for appointment, reassignment of duties, disciplinary action, or termination of employment.

(Please read Instructions before completing this form.)

1. NAME *(Last, First, MI)*	2. SOCIAL SECURITY NUMBER ☐☐☐ - ☐☐ - ☐☐☐☐
3. TITLE OR POSITION	4. WORK TELEPHONE NO. *(Include Area Code)* ☐☐☐ - ☐☐☐ - ☐☐☐☐
5. DOD COMPONENT ADDRESS *(Include office symbol code letters)*	6. GRADE OR RANK

PART I

To be completed by DoD personnel indicated in section F.3.a. and Enclosure 5 of DoD directive 5500.7, or implementing regulations

7. NON-FEDERAL AFFILIATIONS AND FINANCIAL INTERESTS *(See instructions. If none, write "none.")*

a. NAME OF ORGANIZATION	b. ADDRESS OF ORGANIZATION	c. YOUR AFFILIATION	d. NATURE OF FINANCIAL INTEREST *(Stock, pension, etc.)*

8. CREDITORS *(List all creditors other than conventional loans on customary terms. If none, write "none.")*

a. NAME	b. ADDRESS	c. NATURE OF DEBT

9. INTERESTS IN REAL PROPERTY *(List all creditors other than personal residence you occupy. Note any DoD contractor relationships, present or future. If none, write "none.")*

a. ADDRESS OF PROPERTY	b. NATURE OF INTEREST *(Owner, mortgagee, etc.)*	c. TYPE OF PROPERTY *(Apts., farm, etc.)*

DD Form 1555, MAR 87 *Previous editions are obsolete.* 1644/07

PART II

To be completed only by "Special Government Employees." See Instructions

10 NUMBER OF DAYS YOU EXPECT TO PERFORM GOVERNMENT SERVICE

a FOR DOD COMPONENT		d DAYS WORKED FOR PRESENT DOD COMPONENT DURING 365 DAYS PRIOR TO PRESENT APPOINTMENT	e DAYS WORKED FOR ANY DOD COMPONENT DURING 365 DAYS PRIOR TO PRESENT APPOINTMENT
b OTHER AGENCIES			
AL *(10a + b)*			

1... EDERAL GOVERNMENT EMPLOYMENT *(List all other agencies with whom you are presently employed.)*

a AGENCY NAME	b AGENCY ADDRESS	c TITLE OR POSITION	d NO OF DAYS	e DATE (YYMMDD)	
				(1) FROM	(2) TO

PART III - CERTIFICATION

To be completed by all filers

12. I certify that the statements I have made are true, complete, and correct to the best of my knowledge and that none of the reported affiliations/financial interests are in conflict with my official duties. I have read and understand DoD Directive 5500.7 "Standards of Conduct" or implementing regulations.

NATURE	b DATE SIGNED

PART IV - EVALUATION AND REVIEW

To be completed by supervisor or superior and Designated Agency Ethics Official or designee. See Instructions

13. I have reviewed the above statement in light of the present and prospective duties of the individual to ensure that both actual and apparent conflicts of interest are avoided. My evaluation is *(x as applicable)*

☐ a No affiliation/financial interests reported

☐ b Reported affiliations/financial interests are unrelated to assigned or prospective duties, and no conflicts appear to exist

☐ c Assigned duties require participation in matters involving or which may involve the highlighted affiliations/financial interests. This conflict will be resolved by *(x as applicable)*

- ☐ (1) Change of assigned duties
- ☐ (2) Divestiture of the interests and relief of incumbent from all related duties pending divestiture
- ☐ (3) Disqualification
- ☐ (4) Other. Detailed advice attached. Notice of corrective action will follow

☐ d The highlighted reported affiliations/financial interests are related to assigned or prospective duties, but have been determined by the appropriate appointing official to be not so substantial as to affect the integrity of the individual's services. A copy of the formal determination and rationale is attached

☐ e The prospective employee's duties will require participation in matters involving the highlighted reported affiliations/financial interests and the appointment cannot be consummated until divestiture of these affiliations/financial interests is completed

f SIGNATURE	h OFFICE ADDRESS	i DATE SIGNED
g PRINTED NAME		

14. As a Designated Agency Ethics Official or designee, I have examined the foregoing Statement and Evaluation. *(x a or b)*

☐ a I concur with the supervisor's evaluation

☐ b I do not concur with the supervisor's evaluation. Advice attached

c SIGNATURE	e OFFICE ADDRESS	f DATE SIGNED
d PRINTED NAME		

DD Form 1555, MAR 87

DD FORM 1555, CONFIDENTIAL STATEMENT OF AFFILIATIONS AND FINANCIAL INTERESTS - DEPARTMENT OF DEFENSE PERSONNEL

A DD Form 1555 shall be filed with the new superior or supervisor, or with the Designated Agency Ethics Official or designee before the assumption of duties in a position that requires its filing A new DD Form 1555 shall be filed by October 31 of each year and shall include all affiliations and financial interests as of September 30 of that year. A new DD Form 1555 shall be filed each year even though no changes in affiliations or financial interests occur

Extensions may be granted for good cause by a Designated Agency Ethics Official or designee. For required information not known by you but known by another person, you are required to request the submission of the information on your behalf. Personnel who are required to file SF 278, "Financial Disclosure Report," are exempted from filing this DD Form 1555. Personnel required to file SF 278 are listed in DoD Directive 5500 7, Enclosure 6

INSTRUCTIONS FOR COMPLETION

ITEM 1-6. Provide the appropriate information

PART I

This part must be completed by the following personnel:

a. Commanders and deputy commanders of major installations, activities, and operations (as determined by the Heads of the DoD Components), and DoD personnel classified at GS/GM-15 or below under 5 U S C §5332, or a comparable pay level under other authority, and members of the military below the rank of 0-7, when the official responsibilities of such personnel require them to exercise judgment in making government decisions or in taking government action for contracting or procuring, regulating or auditing private or other non-Federal enterprise, or other activities in which the final decision or action may have economic impact on the interests of any non-Federal activity.

b. Special government employees, except for the following categories of personnel unless specifically required to file by the Designated Agency Ethics Official: physicians, dentists, and allied medical specialists engaged only in providing service to patients; veterinarians providing only veterinary services; lecturers participating only in educational activities; chaplains performing only religious services; individuals in the motion picture and television fields who are utilized only as narrators or actors in DoD productions; reservists on active duty for less than 30 consecutive days during the calendar year; others from whom the Designated Agency Ethics Official determines DD Form 1555 is not necessary.

The interests of a spouse, minor child, and any member of your household shall be reported in the same manner as if they were your own interests.

Item 7. List the names of all corporations, firms, partnerships, and other business enterprises, nonprofit or educational organizations, or other institutions in which you: (a) are (or were since your last filing of a DD Form 1555) affiliated as an employee, officer, owner, director, member, trustee, partner, advisor, agent, representative, or consultant, or as a person on leave from such affiliation, or as a person with an understanding or with plans for affiliation in the future; (b) have any continuing financial interests, such as through a pension or retirement plan, shared income, continuing termination payments, or other arrangement as a result of any current or prior employment or business or professional association; or (c) have any financial interest through the legal or beneficial ownership of stock, stock options, bonds, securities, or other arrangements including trusts If none, write "none."

Identify with an asterisk any affiliations or financial interests which you have acquired since last filing DD Form 1555

Associations with, or interests in, nonprofit professional, charitable, religious, social, fraternal, recreational, public service, civic, or political organizations, need not be reported if the association or interest is not one of ownership nor maintained to conduct business for profit.

Association with, or interests in, educational or other institutions doing research or development related work involving grants from or contracts with the government must be reported on this form.

The amount of financial interests need not be reported unless specifically required by the Designated Agency Ethics Official or designee.

INSTRUCTIONS FOR COMPLETION OF DD FORM 1555 (Continued)

PART I (Continued)

em 8. List all creditors other than those who have given you conventional loans on customary commercial terms. If none, write "none."

Item 9. List your interests in real property other than the personal residence you occupy. Note any relationships with DoD contractors, present or prospective, related to interests in real estate. If none, write "none"

PART II

This part must be completed only by special government employees with the exception of those listed as exempted in Part I. b., above.

m 10. Fill in the

a. Number of days you expect to work for the DoD Component to which you will submit this DD Form 1555.

b. Total number of days you expect to work for other Federal agencies.

c. Total of Item 10.a. and 10.b.

d. Number of days you worked for the DoD Component to which you will submit this DD Form 1555 during the 365 days prior to the beginning date of your present appointment.

e. Number of days you worked for any DoD Component during the 365 days prior to the beginning date of your present appointment.

em 11. List all other Federal agencies with whom you are presently employed.

PART III

All filers must certify by signature and date.

PART IV

All DD Forms 1555 must be submitted to supervisors or superiors for evaluation and must be reviewed by the Designated Agency Ethics Official or designee.

FINANCIAL DISCLOSURE REPORT (SF 278)

A. DOD PERSONNEL REQUIRED TO FILE SF 278

1. DoD personnel required to file a Financial Disclosure Report (SF 278) are in "covered positions" and are as follows (persons required to file SF 278 are not required to file DD Form 1555):

a. General and Flag Officers (pay grade 0-7 and above),

b. members of the Senior Executive Service (SES),

c. general schedule (GS) employees, grade 16 and above,

d. personnel (including special Government employees) whose rate of pay is fixed, other than under the GS, at a rate equal to or greater than the minimum rate of pay for GS-16 (GS/GM 15s are not required to file SF 278 even though their pay is higher than that of a GS/GM 16),

e. employees in the excepted service in positions of a confidential or policymaking character (Schedule C employees). This requirement does not apply to positions that have been excluded by the Director, Office of Government Ethics.

2. DoD Components shall ensure that personnel officers, in coordination with supervisors and Designated Agency Ethics Officials (DAEO'S) or designees, develop systems to identify all positions and persons required to file SFs 278. See FPM, Chapter 734, paragraphs 2 and 3 (reference (bb)).

3. A person who is nominated to or assumes a covered position is not required to file an SF 278 if the Secretary of Defense or DAEO of the DoD Component concerned determines that the person is not expected reasonably to perform the duties of the position for more than 60 days in the calendar year. If the person performs the duties of the office or position for more than 60 days in the calendar year, an SF 278 shall be filed within 15 days after the 61st day of duty.

4. A person otherwise required to file an SF 278, but who is expected to perform the duties of the position for less than 130 days in the calendar year, may request a waiver of any or all reporting requirements from the Director, Office of Government Ethics, if the person is not a full-time employee of the Government, is able to provide specially needed services, and does not have outside employment or financial interests that may create a conflict of interest.

B. CONTENTS OF REPORTS

Instructions for completing SFs 278 are included as part of the report forms. Additional guidance for personnel in covered positions is available from the DAEO or designee.

C. SUBMISSION AND REVIEW OF REPORTS

1. Time of Filing

a. Nomination report. Each civilian nominated to a position requiring senate confirmation shall submit an SF 278 according to the procedures established by the DoD Component concerned. The DoD Component shall ensure that a full and complete SF 278 is filed within 5 days of the transmittal of the nomination to the senate. General and flag officers and 0-7 designees are not required to file nomination reports with respect to their nomination for promotion to 0-7 and above.

b. Assumption report. DoD personnel shall submit an SF 278 before assuming a covered position. If the individual previously has complied with the annual filing requirement for the current year at another agency or has provided a nomination report, a copy of that current SF 278 may be submitted as the assumption report.

c. Annual report. DoD personnel, including special Government employees, occupying a covered position for more than 60 days during a calendar year shall submit an SF 278 annually according to the procedures established by the DoD Component concerned.

d. Termination report. DoD personnel occupying a covered position shall submit an SF 278 no sooner than 15 days before and no later than 30 days after the date of departure from that position. The termination report will cover the portion of the present calendar year up to the date of termination and, if the annual report has not yet been filed, the preceding calendar year.

2. Submission

a. Regulations of the individual DoD Components shall prescribe the offices to which SFs 278 shall be submitted for review. Procedures shall include supervisory and/or legal review before submission to the DAEO.

b. OSD civilian presidential appointees and DAEOs shall submit their SFs 278 directly to the General Counsel, OSD, for final review.

c. DoD personnel employed by or assigned to OSD and OJCS shall submit their SFs 278 to their immediate superior or supervisor for a preliminary review and then to the General Counsel, OSD, or designee, for final review.

d. Personnel on detail to other Executive Branch agencies shall follow the filing procedures of those agencies.

3. Review

a. The reviewing official shall review each report to determine that:

(1) each item is completed; and

(2) no interest or position disclosed on the form violates or appears to violate the following:

(a) any applicable provision of chapter 11 of title 18 of the United States Code (part 1),

(b) The "Ethics in Government Act of 1978," (P.L. 95-521, reference (c)), as amended, and any regulations promulgated thereunder,

(c) E.O. 11222, (reference (e)) as amended, and any regulations promulgated thereunder, or

(d) any other related statute or regulation applicable to the employees of the agency.

b. The reviewing official shall not sign and date the report until the determination described in C.3.a., above, is made. A reviewing official need not audit the report to ascertain whether the disclosures are correct; disclosures are to be taken at "face value" unless there is a patent omission or ambiguity or the official has independent knowledge of matters outside the report. A report that is signed by a reviewing official shall signify that the agency has found that the information in the report discloses no conflict of interest under applicable laws and regulations and that the report fulfills the requirements set out in C.3.a., above.

c. If the reviewing official believes additional information is required, the reporting individual shall be notified in writing of the additional information required and the date by which it must be submitted. The reporting individual shall submit the required information directly to the reviewing official.

d. If the reviewing official concludes that the report is completed properly and that no item violates, or appears to violate, applicable statute or regulation, then such official shall sign, date the report. ~~and notify the reporting individual in writing that this action was taken.~~ Ch 1 9/6/88

e. DoD personnel shall request submission on their behalf, of required information that is known only to other persons. The submission may be made with a request to confidentiality that shall be honored even if it includes a limitation on disclosure to the reporting individual.

D. REMEDIAL ACTION

1. If the reviewing official concludes that the filing individual is not in compliance with applicable laws or regulations, the reviewing official shall do the following:

a. notify the reporting individual in writing of the preliminary determination,

b. afford the reporting individual an opportunity for personal consultation, if practicable,

c. determine what remedial action should be taken to bring the filing individual into compliance, and

d. notify the reporting individual in writing of the remedial action required, indicating a date by which that action must be taken.

2. Except in unusual situations, which must be documented fully to the satisfaction of the reviewing official, remedial action shall be completed within 90 days from the date the reporting individual was notified that the action is required.

3. Remedial steps may include the following measures:

a. disqualification,

b. limitation of duties,

c. divestiture,

d. transfer or reassignment,

e. resignation,

f. exemption under 18 U.S.C. 208(b) (reference (p)), or

g. establishment of a qualified blind trust.

4. When the reviewing official determines that a reporting person has complied fully with the remedial measures, a notation to that effect shall be made in the comment section of the SF 278. The reviewing official then shall sign and date the SF 278.~~and send written notice of that action to the reporting individual~~.

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5. If steps ensuring compliance with applicable laws and regulations are not taken by the date established, the reviewing official shall report the matter to the Head of the DoD Component for appropriate action. The Office of Government Ethics and the Attorney General also shall be notified.

E. PUBLIC AVAILABILITY OF REPORTS

SFs 278 must be made available for public examination upon request 15 days after the report is filed unless otherwise exempted under law. Receipt of the report by a DoD Component for final review constitutes official filing and establishes the date from which the 15 days shall run. This means the reports are available to the public before final review is completed. Reporting persons personally are responsible for ensuring that their reports are accurate, complete, and timely.

F. RETENTION OF REPORTS

SFs 278 shall be retained for 6 years from the date of filing.

G. PENALTIES

Compliance with the financial disclosure provisions shall be enforced by administrative, civil, or criminal remedies, including the following:

1. Action within the DoD Component. The Head of the DoD Component may take appropriate action, including a change in assigned duties or adverse action, in accordance with applicable law or regulation, against any person who fails to file an SF 278, or who falsifies or fails to report required information.

2. Action by the Attorney General. The head of the DoD Component is required to refer to the Attorney General the name of any person whom he or she has reasonable cause to believe has failed willfully to file an SF 278 on time or has falsified or failed willfully to file information required to be reported. Such referral does not bar additional administrative or judicial enforcement. The Attorney General may bring a civil action in the U.S. District Courts against any person who knowingly and willfully falsifies or fails to file or report any required information. The court may assess a civil penalty not to exceed $5,000. Knowing or willful falsification of information required to be filed also may result in criminal prosecution under 18 U.S.C. 1001 reference (p)), leading to a fine of not more than $10,000, or imprisonment for not more than 5 years, or both.

3. Misuse of Reports

a. The Attorney General may bring a civil action against a person who obtains or uses an SF 278 filed under the Ethics in

Government Act (P.L. 95-521, reference (c)) for the following reasons:

(1) any unlawful purpose,

(2) any commercial purpose, other than by news and communications media for dissemination to the general public,

(3) determining or establishing the credit rating of any individual,

(4) directly or indirectly, for the solicitation of money for any political, charitable, or other purpose.

b. The court in which such action is brought may assess a penalty in any amount not to exceed $5,000. This is in addition to any other legal remedy available.

STATEMENT OF EMPLOYMENT - REGULAR RETIRED OFFICERS

*(Before completing this form, please read instructions on reverse.
If additional space is required use blank sheets referencing applicable item numbers.)*

Privacy Act Statement

THORITY: 37 U S C §801(b), 5 U S C §5532 and E O 9397 dated November 22, 1943 (SSN)

PRINCIPAL PURPOSE: To enable DoD personnel to determine if retired regular officers are engaged in activities prohibited by law or regulation, including those that could result in the loss or reduction in retired pay due to other Federal employment

ROUTINE USE: Information is forwarded to the Military Department from which the individual retired, and is appropriately reviewed to assure compliance with applicable statutes and regulations

DISCLOSURE: Voluntary in the sense that no criminal penalties will follow from refusal to file, however, refusal to provide requested information may result in further investigation which may lead to the withholding of retired pay and the referral of the matter to the Comptroller General of the United States or other Federal agencies

1. RETIREMENT DATA

a. I AM A REGULAR RETIRED OFFICER OF *(x one)*

☐ (1) ARMY
☐ (2) NAVY
☐ (3) MARINES
☐ (4) AIR FORCE
☐ (5) OTHER *(list)*

b. RETIREMENT DATE *(YYMMDD)*

2. ARE YOU PRESENTLY EMPLOYED? *(x one)*

☐ YES *(Complete all items of this form.)* ☐ NO *(Skip to item 11.)*

3. NAME OF EMPLOYER

4. DATE OF EMPLOYMENT *(YYMMDD)*

5. ADDRESS OF EMPLOYER

a. STREET

b. CITY

c. STATE

d. ZIP CODE ☐☐☐☐☐-☐☐☐☐

e. TELEPHONE NUMBER OF EMPLOYER *(Include area code)* ☐☐☐-☐☐☐-☐☐☐☐

6. **Does your employer sell, or offer for sale goods or services to DoD Components, the Coast Guard, Public Health Service, or National Oceanic And Atmospheric Administration?**

☐ YES *(Complete all items of this form.)* ☐ NO *(Skip to item 11.)*

CRIPTION OF GOODS OR SERVICES

8. POSITION TITLE

9. DESCRIPTION OF DUTIES

10. DO YOUR DUTIES INCLUDE ONE OR MORE OF THE FOLLOWING ACTIVITIES IN REGARD TO AN ORGANIZATION SPECIFIED IN ITEM 6?

a. Signing a bid, proposal, or contract;

b. Contacting an officer or employee of the agency for the purpose of:

   (1) obtaining or negotiating contracts,

   (2) negotiating or discussing changes in specifications, price, cost allowances, or other contract terms,

   (3) settling disputes concerning performance of a contract;

c. Negotiating a contract, or

d. Any other liaison activity toward the ultimate consummation of a sale even though the actual contract is later negotiated by another

☐ YES *(Attach explanatory details.)* ☐ NO

11. CERTIFICATION

I certify that the above information is true, complete, and correct to the best of my knowledge. I also certify that I will file a new Statement of Employment within 30 days after the information in this Statement ceases to be accurate. I understand that if I have been retired for less than three years and have been employed by a defense contractor, I might also be subject to the requirement to file a DD Form 1787, "Report of DoD and Defense Related Employment," pursuant to 10 U.S.C. §2397 and DoD Directive 5500.7.

a. NAME *(typed or printed)*

b. SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

c. SIGNATURE

d. DATE SIGNED

DD Form 1357, MAR 87

Previous editions are obsolete.

715-075

DD FORM 1357
STATEMENT OF EMPLOYMENT - REGULAR RETIRED OFFICERS

INSTRUCTIONS FOR COMPLETION

1. Mark the branch of service from which you retired. If "other," write in the name of the service. Include date of retirement. YOU MUST FILE YOUR FIRST DD FORM 1357, "STATEMENT OF EMPLOYMENT," WITHIN 30 DAYS OF YOUR RETIREMENT DATE.

2. If you are presently employed, complete all items of this form. If you are not presently employed, proceed to item 11. YOU MUST SUBMIT A NEW DD FORM 1357, "STATEMENT OF EMPLOYMENT," WITHIN 30 DAYS AFTER THE INFORMATION IN THIS FORM HAS CEASED TO BE ACCURATE. THE REQUIREMENT TO FILE CONTINUES FOR THREE YEARS AFTER RETIREMENT. IF YOU BECOME EMPLOYED, CHANGE JOBS, OR TAKE ON NEW DUTIES, YOU MUST FILE A NEW DD FORM 1357 WITHIN 30 DAYS AFTER THE CHANGE UNLESS MORE THAN THREE YEARS HAVE PASSED SINCE YOUR RETIREMENT DATE.

3. through 5. Self explanatory.

6. If your present employer sells, or offers for sale, any goods or services to any of the named organizations, mark "yes" and complete all following items. If not, proceed to item 11.

7. Describe the goods or services that your employer sells, or offers for sale, to any of the organizations named in item 6.

8. and 9. Self explanatory.

10. If your duties include any of the listed activities in regard to the organizations named in item 6, mark "yes" and attach a sheet with explanatory details.

11. Self explanatory. Social security number must be included.

DD Form 1357 Reverse, MAR 87

REPORT OF DoD AND DEFENSE RELATED EMPLOYMENT (DD Form 1787)

A. PERSONNEL REQUIRED TO FILE

Personnel required to file a Report of DoD and Defense Related Employment (DD Form 1787) are as follows:

1. Each person who has left service or employment with a DoD Component, who:

a. is a retired military officer or former military officer who served on active duty at least 10 years and who held, for any period during that service, the pay grade of O-4 or above, or a former civilian officer or employee whose pay rate at any time during the three year period prior to the end of DoD service or employment was equal to or greater than the minimum GS-13 rate at that time;

b. within the two year period immediately following the termination of service or employment with a DoD Component, is employed by a defense contractor who, during the year preceding employment, was awarded $10,000,000 or more in defense contracts; and

c. is employed by or performs service for the defense contractor and at any time during a year directly receives compensation of or is salaried at a rate of $25,000 per year or more from the defense contractor ("compensation" is received by a person if it is paid to a business entity with which the person is affiliated in exchange for services rendered by that person).

2. Each civilian officer and employee of a DoD Component who:

a. is employed at a pay rate equal to or greater than the minimum rate for GS-13,

b. within the two year period prior to the effective date of service or employment with the DoD Component, was employed by a defense contractor who, during a year, was awarded $10,000,000 or more in defense contracts, and

c. was employed by or performed services for the defense contractor and at any time during that year received compensation of or was salaried at a rate of $25,000 per year or more at any time during employment ("compensation" is received by a person if it is paid to a business entity with which the person is affiliated in exchange for services rendered by the person).

B. CONTENT OF REPORT

Instructions for completing DD Forms 1787 are included as part of the form (see attachment to enclosure 8). Additional guidance for personnel required to file is available from the Designated Agency Ethics Official (DAEO) or designee.

C. SUBMISSION AND REVIEW OF REPORTS

1. Time of Filing

a. Current DoD officers and employees shall file a report within 30 days after entering employment or service with any DoD Component.

b. Former DoD officers and employees shall file an initial report within 90 days after the date on which the individual began employment with the defense contractor.

c. Former DoD officers and employees shall file subsequent reports each time, during the two-year period after service or employment with the DoD Component ended, that the person's duties with the defense contractor significantly change or the person begins employment with another defense contractor. Such reports shall be filed within 30 days after the date of the change.

2. Submission

a. Civilians shall submit their reports to the DAEO of the present or former DoD Component in accordance with DoD Component procedures.

b. Retired or former military officers shall submit their reports to the DAEO of their Military Departments.

3. Review

a. The reviewing official shall review each report to determine that:

(1) each item is completed, and

(2) no interest or position disclosed on the form violates or appears to violate the following:

(a) any applicable provision of chapter 11 of title 18 of the United Sates Code (part 1),

(b) The Ethics in Government Act of 1978 (P.L. 95-521, reference (c)), as amended, and any regulations promulgated thereunder,

(c) E.O. 11222, (reference (e)) as amended, and any regulations promulgated thereunder, or

(d) any other related statute or regulation applicable to the employees of the agency.

b. The reviewing official shall not sign and date the report until the determination described in C.3.a., above, is made. A reviewing official need not audit the report to ascertain whether the disclosures are correct; disclosures are to be taken at "face value" unless there is a patent omission or ambiguity or the official has independent knowledge of matters outside the report. A report that is signed by a reviewing official shall signify that the agency has found that the information in the report discloses no conflict of interest under applicable laws and regulations and that the report fulfills the requirements set out in C.3.a., above.

c. If the reviewing official believes that additional information is required, the reporting individual shall be notified
* of the additional information required and the date by which it must *
be submitted. The reporting individual shall submit the required information directly to the reviewing official.

d. If the reviewing official concludes that the report is completed properly and that no item violates, or appears to violate, applicable statute or regulation, then such official shall
* sign and date the report and forward the report to the Standards of *
* Conduct Office, Office of General Counsel, Department of Defense. *

e. DoD personnel shall request submission on their behalf of required information that is known only to other persons. The submission may be made with a request for confidentiality that shall be honored even if it includes a limitation on disclosure to the reporting individual.

D. REMEDIAL ACTION

1. If the reviewing official concludes that the filing individual is not in compliance with applicable laws or regulations, the reviewing official shall do the following:

a. notify the reporting individual in writing of the preliminary determination;

b. afford the reporting individual an opportunity for personal consultation, if practicable;

c. determine what remedial action should be taken to bring the reporting individual into compliance; and

d. notify the reporting individual in writing of the remedial action required, indicating a date by which that action must be taken.

2. Except in unusual situations, which must be documented fully to the satisfaction of the reviewing official, remedial action shall be completed within 90 days from the date the reporting individual was notified that the action is required.

3. Remedial steps may include the following measures:

a. disqualification,

b. limitation of duties,

c. divestiture,

d. transfer or reassignment,

e. resignation,

f. exemption under 18 U.S.C. 208(b) (reference (p), or

g. establishment of a qualified blind trust.

4. When the reviewing official determines that a reporting person has complied fully with the remedial measures, a notation to that effect shall be made in the comment section of the DD Form 1787. The reviewing official then shall sign and date the DD Form 1787 and send written notice of that action to the reporting individual.

5. If steps ensuring compliance with applicable laws and regulations are not taken by the date established, the reviewing official shall report the matter to the head of the DoD Component for appropriate action. The Office of Government Ethics also shall be notified.

E. PUBLIC AVAILABILITY OF REPORTS

DD Forms 1787 must be made available for public examination
* upon request after the report is filed in the public file main- *
* tained by the Standards of Conduct Office, Office of General *
* Counsel, DoD unless otherwise exempted pursuant to law. Reporting *
* persons are personally responsible for ensuring that their reports *
* are accurate, complete, and timely. *

F. RETENTION OF REPORTS

* DD Forms 1787 shall be retained in the public file maintained *
* by the Standards of Conduct Office, Office of the General Counsel, *
* Department of Defense, for 3 years from the date of filing. *

#First amendment (Ch 1, 9/6/88) * Indicates changes

G. PENALTIES

1. Administrative penalties. Any individual failing to file a report or falsifying or failing to file required information, may be subject to any applicable personnel or other action in accordance with applicable law or regulation, including adverse action. Administrative penalty of up to $10,000 may be imposed.

2. Criminal liability. Any individual who knowingly or willfully falsifies information on a report required to be filed under this enclosure may also be subject to criminal prosecution under 18 U.S.C. 1001 (reference (p)).

Attachments - 1
1. DD Form 1787, MAR 87

DD Form 1787, MAR 87

Encl 1, DCAAR 5500.2

REPORT OF DOD AND DEFENSE RELATED EMPLOYMENT
AS REQUIRED BY 10 U.S.C. §2397

(If additional space is required, use blank sheets of paper referencing item numbers below.)

Form Approved
OMB No. 0704-0047
Expires Oct 31, 1989

Privacy Act Statement

AUTHORITY: 10 U.S.C. §2397; 10 U.S.C. §2397b; Executive Order 9397 (Social Security Number (SSN)).

CIPAL PURPOSES: Each report will be reviewed by Department of Defense officials to determine compliance with the intent of the Act. The purpose of requesting the SSN is for positive identification and retrieving the record.

ROUTINE USE: Information derived from the reports, including names of reporting individuals and their current and former employers, shall be provided annually to the Congress. The reports themselves shall be available for review by members of the public and may otherwise be made available as authorized by law.

DISCLOSURE: Mandatory. Knowing or willful failure to file or report information required to be reported by this law, or falsification of information, may subject you to administrative penalty of up to $10,000 pursuant to regulations promulgated by the Secretary of Defense. Knowing or willful falsification of information required to be filed may also subject you to criminal prosecution under 18 U.S.C. §1001, leading to a fine of not more than $10,000 or imprisonment for not more than five years or both.

(Please read instructions before completing this form.)

1. NAME *(Last, First, Middle Initial)*
2. SOCIAL SECURITY NO. ☐☐☐-☐☐-☐☐☐☐
3. HOME TELEPHONE NO. ☐☐☐-☐☐☐-☐☐☐☐

4. HOME ADDRESS
a. STREET
b. CITY
c. STATE
d. ZIP CODE ☐☐☐☐☐-☐☐☐☐

5. IS THIS AN INITIAL REPORT? *(X a or b)*
☐ a. YES *(If "Yes," go to item 6.)*
☐ b. NO *(If "No," go to item 5.c.)*
c. If this is NOT an initial report, reason for subsequent report is: *(X one)*
☐ (1) change in employer
☐ (2) change in duties

6.a. STATUS *(X as many as applicable)*

6.a. STATUS	6.b. Rank/ Grade	6.c. Most Recently Acquired Status *(X one)*
☐ (1) RETIRED MILITARY - O4 OR ABOVE	(1)	(1)
☐ (2) FORMER MILITARY - O4 OR ABOVE	(2)	(2)
☐ (3) RETIRED CIVILIAN - PAID EQUAL TO GS-13 OR ABOVE	(3)	(3)
☐ (4) FORMER CIVILIAN - PAID EQUAL TO GS-13 OR ABOVE	(4)	(4)
☐ (5) PRESENT DOD EMPLOYEE	(5)	(5)

PART I

To be completed only by former officers or employees of DoD who are now employed by contractor. (Category I)

7.a. DATE OF TERMINATION OF MOST RECENT DOD SERVICE OR EMPLOYMENT *(YYMMDD)*
7.b. NAME OF MOST RECENT MILITARY DEPARTMENT OR DOD AGENCY

8. DATE OF EMPLOYMENT WITH DEFENSE CONTRACTOR *(YYMMDD)*
9. IS YOUR ANNUAL COMPENSATION FROM OR SALARY RATE WITH THE DEFENSE CONTRACTOR $25,000 OR MORE? ☐ a. YES ☐ b. NO

10. NAME OF DEFENSE CONTRACTOR EMPLOYER
11. WORK TELEPHONE NO. ☐☐☐-☐☐☐-☐☐☐☐

12. WORK ADDRESS
a. STREET
b. CITY
c. STATE
d. ZIP CODE ☐☐☐☐☐-☐☐☐☐

13. YOUR POSITION WITH CONTRACTOR
a. *(X one that best describes position.)*
☐ (1) Administrator
☐ (2) Researcher
☐ (3) Contract Officer
☐ (4) Manager
☐ (5) Consultant
☐ (6) Other
b. SPECIFIC TITLE(S)
c. YOU MUST PROVIDE A DETAILED DESCRIPTION OF YOUR DUTIES ON A SEPARATE SHEET. Include specifics on contracts or actions related to duties held in ALL former DoD positions that are reported in item 14 below. See instructions.

14. YOUR FORMER DOD POSITION
a. *(X one that best describes position.)*
☐ (1) Administrator
☐ (2) Researcher
☐ (3) Contract Officer
☐ (4) Manager
☐ (5) Consultant
☐ (6) Other
b. SPECIFIC TITLE AND SPECIFIC DOD ORGANIZATION
YOU MUST PROVIDE A DETAILED DESCRIPTION OF YOUR DUTIES ON A SEPARATE SHEET. Report information requested in 14.a., b., and c for each former DoD position held within 2 years prior to contractor position. See instructions.

15. DOD DISQUALIFICATION ACTIONS (IF ANY) *(Within two years prior to contractor employment.)*
☐ a. YES *(If "Yes," go to item 15.c.)*
☐ b. NO *(If "No," go to item 16.)*
c. DESCRIBE DISQUALIFICATION ACTIONS

DD Form 1787, MAR 87 *Previous editions are obsolete.* 2615/075

PART II

To be completed only by former employees of contractors who are now DoD officers or employees. (Category II)

16.a. DATE OF TERMINATION WITH DEFENSE CONTRACTOR *(YYMMDD)*

16.b. NAME OF FORMER DEFENSE CONTRACTOR EMPLOYER *(Most recent)*

7 TE OF EMPLOYMENT OR SERVICE TH DOD *(YYMMDD)*

18. IS YOUR ANNUAL SALARY WITH DOD AT A RATE EQUAL TO OR ABOVE GS-13?

☐ a. YES

☐ b. NO

c. SPECIFY AMOUNT $

19. NAME OF SPECIFIC DOD ORGANIZATION(S) BY WHICH EMPLOYED *(Within the last 2 years)*

20. WORK TELEPHONE NO. ☐☐☐-☐☐☐-☐☐☐☐

21. WORK ADDRESS

a. STREET

b. CITY

c. STATE

d. ZIP CODE ☐☐☐☐☐-☐☐☐☐

22. CURRENT DOD POSITION

a. *(X one that best describes position.)*

☐ (1) Administrator

☐ (2) Researcher

☐ (3) Contract Officer

☐ (4) Manager

☐ (5) Consultant

☐ (6) Other

b. SPECIFIC TITLE(S)

c. YOU MUST PROVIDE A DETAILED DESCRIPTION OF YOUR DUTIES ON A SEPARATE SHEET. Include specifics on contracts or actions related to duties held in ALL contractor positions that are reported in Item 23 below. See Instructions.

23. CONTRACTOR POSITION

a. *(X one that best describes position.)*

☐ (1) Administrator

☐ (2) Researcher

☐ (3) Contract Officer

☐ (4) Manager

☐ (5) Consultant

☐ (6) Other

b. SPECIFIC TITLE AND SPECIFIC DEFENSE CONTRACTOR NAME AND BRANCH

( )U MUST PROVIDE A DETAILED DESCRIPTION OF YOUR DUTIES ON A SEPARATE SHEET. Report information requested in 23 a., b., and c. ur each contractor position held within two years prior to current position. See Instructions.

CERTIFICATION

To be completed by all filers.

24. I certify that the above information is true, complete, and correct to the best of my knowledge. I understand that I must file a new report of DoD and defense related employment within 30 days if, within the two years immediately following the termination of my most recent DoD service or employment, the information in this report ceases to be accurate. I understand subsequent reports are not required after such two year period.

a. SIGNATURE

b. DATE SIGNED

REVIEW

To be completed by reviewing official.

25. I certify that I have reviewed this Report of DoD and Defense Related Employment (DD Form 1787) in accordance with the guidance set out in DoD Directive 5500.7, enclosure 8.

a. SIGNATURE

b. OFFICE

c. DATE SIGNED

DD Form 1787, MAR 87

DD FORM 1787
REPORT OF DOD AND DEFENSE - RELATED EMPLOYMENT
AS REQUIRED BY 10 U.S.C. §2397

WHO MUST FILE

CATEGORY I *(Complete Part I)*

a Each person who has left service or employment with a DoD Component, who

(1) is a retired military officer or former military officer who served on active duty at least 10 years and who held, for any period during that service, the grade of O-4 or above, or is a former civilian officer or employee whose pay at any time during the three year period prior to the end of DoD service or employment was equal to or greater than the minimum rate for a GS-13 at that time,

(2) within the **two-year period** immediately following the termination of service or employment with a DoD Component, is employed by a defense contractor who, during the year preceding employment, was awarded $10,000,000 or more in DoD contracts; and

(3) is employed by the defense contractor and at any time during a year directly receives compensation of or is salaried at a rate of $25,000 per year or more from the defense contractor. "Employed" includes the rendering of services as a consultant, lawyer, agent or other kind of assistant

b For a **two year period** following the termination of your last position with a DoD Component, you are required to file a new DD Form 1787 each time your duties with the defense contractor change significantly and each time you become employed with a new defense contractor

CATEGORY II *(Complete Part II)*

Each civilian officer and employee (whether or not full-time) of a DoD Component, who

(1) is employed at a pay rate equal to or greater than the minimum rate for GS-13;

(2) within the two-year period prior to the beginning of service or employment with the DoD Component, was employed by a defense contractor who, during a year, was awarded $10,000,000 or more in DoD contracts.

(3) was employed by the defense contractor and at any me during that year received compensation of or was salaried at rate of $25,000 per year or more from the defense contractor. Employed" includes the rendering of services as a consultant, lawyer, agent or other kind of assistant

WHEN AND WHERE TO FILE

a Civilians shall submit their reports to the Designated Agency Ethics Official of the individual's present or former DoD Component in accordance with DoD Component procedures. Retired or former military officers shall submit their reports to the Designated Agency Ethics Official of their Military Department

b Current DoD officers and employees shall file a report within 30 days after entering employment or service with any DoD Component

c Former DoD officers and employees shall file an initial report within 90 days after the date on which the individual began employment with the defense contractor

d Former DoD officers and employees shall file subsequent reports each time, during the two-year period after service or employment with the DoD Component ended, that the person's duties with the defense contractor significantly change or the person begins employment with another defense contractor. Such reports shall be filed within 30 days after the date of the change

INSTRUCTIONS FOR COMPLETION

Items 1 through 6 apply to all individuals completing this form

Items 1 through 4. Provide the appropriate information.

Item 5. Mark "Yes" if this is the first DD Form 1787 you have ever filed and go to Item 6. Mark "No" if you have filed a DD Form 1787 in the past and answer 5 c.

Item 6. Mark the box(es) which indicates your status and include the highest grade or rank that you held prior to leaving that DoD position. If you hold more than one status, mark one box to show which status was most recently acquired. Keep in mind that the requirement to file DD Form 1787 is imposed on former and retired civilian employees who have been paid at a rate equal to or greater than the minimum rate **at the time** for a GS-13 **at any time during the three year period prior to termination** from the last DoD position.

PART I

This part only applies to individuals in Category I.

Item 7. Provide the requested date and name your most recent Military Department or DoD agency.

Item 8. Provide the date your employment with the defense contractor began. If you are no longer employed by the defense contractor, provide the date of termination on a separate sheet referencing this item number. Provide the information requested in the following items for your most recent defense contractor employer even if no longer employed.

DD Form 1787 Instructions, MAR 87

INSTRUCTIONS FOR COMPLETION OF DD FORM 1787 *(Continued)*

PART I *(Continued)*

Item 9. Indicate whether your annual compensation from or ary rate with the defense contractor is above $25,000 by king "Yes" or "No."

Items 10 through 12. Provide the appropriate information for your present or most recent defense contractor employer.

Item 13. Indicate your position with the defense contractor by marking the box(es) next to the title that best describes your position. Also provide your specific title(s). **You are required to provide a detailed description of your specific duties on a separate sheet of paper referencing this item number. You must provide the names of all contracts and details of all duties you have performed on behalf of the defense contractor that relate in any way to your duties in all former DoD positions held within the two years prior to the beginning of your employment with the defense contractor. You must also identify each major defense system on which you have performed work on behalf of the defense contractor, regardless of whether that work relates to your former DoD position. All these former DoD positions must be reported in Item 14.**

"Major Defense System" means: A combination of elements that will function together to produce the capability required to fulfill a mission need. Elements may include hardware, equipment, software, or any combination thereof, but excludes construction or other improvements to real property. A system shall be considered a major system if (a) DoD is responsible for the system and the total expenditures, and research, development, test, and evaluation for the system are estimated to be more than $75,000,000 (based on fiscal year 1980 constant dollars) or the ntual total expenditure for procurement of more than 0,000,000 (based on fiscal year 1980 constant dollars), (b) a vilian agency is responsible for the system and total **expenditures of the system are estimated to exceed $750,000 (based on fiscal year 1980 constant dollars) or the dollar threshold for a "major system" established by the agency pursuant to OMB circular A-109, entitled "Major Systems Acquisitions," whichever is greater; or (c) the system is designated a "major system" by the head of the agency responsible for the system.**

Item 14. Indicate your former DoD position by marking the box(es) next to the title that best describes your position. Also provide your specific title(s) and include your organization code letters. **You are required to provide a detailed description of your specific duties on a separate sheet of paper referencing this item number. You must provide the names of all contracts and details of all duties you performed while in your former DoD position that relate in any way to your position with the defense contractor reported in Item 13. You must also identify each major defense system you performed any work on while in your former DoD position, regardless of whether that work relates to your position with the defense contractor reported in Item 13.** If you held more than one DoD position during the two years prior to the beginning of your employment with the defense contractor, provide all the information requested in Item 14 a., b., and c. for each DoD position on a separate sheet of paper referencing this item number.

Item 15. Indicate whether there were any DoD disqualification actions related to you during the two years prior your defense contractor employment. If there were, describe actions in detail. A "disqualification action" is a formal exclusion of a person from taking part in a particular matter, usually to prevent a conflict of interest.

PART II

This part only applies to individuals in Category II.

Item 16. Provide the requested date and name your most recent former defense contractor employer.

Item 17. Provide the requested date.

Item 18. Indicate whether your annual salary with the DoD Component is equal to or above the minimum rate for a GS-13 by marking "Yes" or "No." Various pay schedules, levels and steps can be confusing. Provision of your annual salary will ensure your compliance with applicable law and is required to process your report.

Items 19 through 21. Provide the appropriate information for your DoD Component organization.

Item 22. Indicate your DoD position by marking the box(es) next to the title that best describes your position. Also provide your specific title(s) and include your organization code letters. **You are required to provide a detailed description of your specific duties on a separate sheet of paper referencing this item number. You must provide the names and details for all contracts and actions that relate in any way to your duties in all former defense contractor positions held within the two years prior to the beginning of your service or employment with the DoD Component.** All these former defense contractor positions must be reported in Item 23.

Item 23. Indicate your former position with the defense contractor by marking the box(es) next to the title that best describes your position. Also provide your specific title(s). **You are required to provide a detailed description of your specific duties on a separate sheet of paper referencing this item number. You must include names and details for all contracts and actions that relate in any way to your position with your DoD Component reported in Item 22.** If you have been employed by more than one defense contractor during the two years prior to the beginning of your service or employment with the DoD Component, provide all information requested in Item 23 a., b., and c. for each defense contractor position on a separate sheet of paper referencing this item number.

CERTIFICATION

All filers must certify this report by signing and dating.

Item 24. You must sign and date this report.

REVIEW

Item 25. Reviewing official must sign and date after reviewing the report in accordance with DoD Directive 5500.7, enclosure 8.

REPORT OF POTENTIAL EMPLOYMENT CONTACTS

A. PERSONNEL REQUIRED TO FILE

Under 10 U.S.C. 2397a (reference (f)), "covered defense officials" (as defined in E.1., below, who participated in the performance of a procurement function in connection with a contract awarded by any DoD Component, who contacts, or is contacted by, any representative of that contractor regarding his or her future employment with that defense contractor, shall file reports and disqualifications.

B. CONTENT OF REPORT

1. Reports of Contact. "Covered defense officials" shall promptly report the contact describes in A. of this enclosure, above, to the supervisor or superior, and the Designated Agency Ethics Official (DAEO) or designee of the DoD Component. Reports of contact shall include the following:

a. the name, title, agency address and telephone number of reporting official,

b. the name of the defense contractor concerned,

c. the date of each contact covered by the report, and

d. a brief description of the substance of each contact.

2. Disqualifications. "Covered defense officials" shall disqualify themselves from all participation in the performance of procurement functions relating to contracts of the defense contractor, for any period for which future employment opportunities for the official have not been rejected by the official or the defense contractor. Such disqualification shall be in writing and shall be filed with the supervisor or superior, the immediate subordinates, and the DAEO or designee. Reports of disqualification shall accompany reports of contacts and shall include the following:

a. the name of contractor,

b. extent of disqualification (this may be a description of duties the official may not perform as a result of the disqualification),

c. identification of the individual or office that shall handle duties during disqualification period, and

d. an explanation of any other steps required to avoid potential conflict of interest.

3. Cancellations. Disqualifications are considered to remain in effect until canceled in writing. Such cancellations shall include:

a. a copy of the original disqualification,

b. an explanation of the reason for the cancellation, and

c. the effective date of the cancellation.

4. Limited Exception. A defense official is not required to report the first contact initiated by a defense contractor regarding employment or to disqualify him or herself, if the official terminates discussion immediately. If an additional contact of the same or similar nature is made by or with the contractor, the official shall report the contact and all contacts of the same or similar nature by or with the contractor during the 90-day period ending on the date the additional contact is made.

C. SUBMISSION AND REVIEW OF REPORTS

1. Time of Filing. Reports of contact and disqualifications shall be filed immediately after the contact and disqualifications. Cancellations shall be filed when applicable.

2. Submission. The original of reports of contact, disqualifications and cancellations shall be filed with the supervisor or superior, the immediate subordinates, and the DAEO or designee.

3. Review

a. The reviewing official shall review each report of contact disqualification and cancellation to determine that the document contains all required information.

b. The date and time of receipt shall be noted on each report.

c. The DAEO or designees shall counsel DoD officers and employees and provide guidance in specific instances regarding the need for reports or disqualification action.

d. If a written opinion of the DAEO or designee is desired, it shall be given in response to a written request from the officer or employee. Such request for an opinion shall contain a full account of the relevant facts.

e. There shall be a rebuttable presumption in favor of a covered defense official that failure to report a contact with a defense contractor, or failure to disqualify himself from participation in the performance of certain procurement functions, is not a violation if the defense official has received an opinion in writing from the DAEO stating that a report or disqualification by the official was not necessary.

D. REMEDIAL ACTION

1. Supervisors and DAEO's or designees taking remedial actions in connection with any report shall keep a brief record of such action with each report.

2. The Head of each DoD Component shall establish procedures to identify persons who fail to file required reports or to take necessary disqualification action, shall establish procedures for agency hearings, and shall establish other implementing regulations as required by 10 U.S.C. 2397a (reference (f)).

E. SPECIAL DEFINITIONS

For purposes of this enclosure, terms used shall have the following meanings (see the basic Directive for other definitions):

1. Covered Defense Official. Any individual serving as a civilian officer or employee of the Department of Defense in a position for which the rate of pay is equal to or greater than the minimum rate of pay for GS-11 or any officer on active duty in the Armed Forces in a pay grade of O-4 or higher.

2. Defense Contractor. An individual or business entity that provides services, supplies, or both (including construction) to any component of the Department of Defense under a contract directly with the Department of Defense. Individuals and business entities holding contracts with a combined net cost of not more than $25,000 in any calendar year shall not be considered defense contractors, during such year.

F. PENALTIES

1. Administrative Penalties. Penalties that may be imposed pursuant to component regulations may include the following:

a. prohibition of employment with the defense contractor for up to 10 years from date of separation from employment or service with the Department of Defense,

b. administrative penalty not to exceed $10,000 under 10 U.S.C. 2397a (reference (f)).

2. Criminal Liability. Any individual who knowingly or willfully falsified information on a report required to be filed under this enclosure may also be subject to criminal prosecution under 18 U.S.C. 1001 (reference (p)).

EMPLOYMENT RESTRICTIONS ON CERTAIN FORMER DOD OFFICIALS

A. SCOPE OF RESTRICTIONS CONCERNING ENTITIES FROM WHICH COMPENSATION MAY NOT BE RECEIVED

Pursuant to 10 U.S.C. 2397b (reference (f)), certain former DoD officers and employees shall not receive compensation from a major defense contractor for a two year period, beginning on the date the former officer or employee separated from the Department of Defense. This restriction prohibits the acceptance of compensation from a particular major defense contractor only if the former officer or employee performed the duties listed in B., below, related to that same defense contractor.

B. PERSONNEL TO WHOM RESTRICTIONS APPLY

Individuals in the following categories are subject to the restrictions:

1. Individuals who served in a civilian position for which the rate of pay was equal to the minimum rate of pay for a GS-13 or higher, and individuals who served in the Armed Forces in pay grades of 0-4 or higher, if such individuals:

a. spent the majority of their working days during the last two years of DoD service performing a procurement function relating to a DoD contract, at a site or plant that was owned or operated by a contractor, and which was the principal location of their performance of that procurement function; or

b. performed, on a majority of their working days during the last two years of DoD service, a procurement function relating to a major defense system and, in the performance of such a function, participated on any occasion personally and substantially in a manner involving decision-making responsibilities with respect to a contract for that system through contact with the contractor.

2. Individuals who served in a civilian position for which the rate of pay was equal to the minimum rate of pay for a Senior Executive Service position or higher, and individuals who served as members of the Armed Forces in the pay grade of 0-7 or higher, if such individuals during the last two years of DoD service acted as follows:

a. as a primary representative of the United States in the negotiation with a defense contractor of a defense contract in an amount in excess of $10,000,000 (the actual contractual action taken by the individual must have been in an amount in excess of $10,000,000), or

b. as a primary representative of the United States in the negotiation of a settlement of an unresolved claim of such a defense contractor in an amount in excess of $10,000,000. An unresolved claim shall be, for the purposes of this Directive, valued by the greater of the amount of the claim or the amount of the settlement.

C. ADVICE FROM THE DESIGNATED AGENCY ETHICS OFFICIAL

1. Any person may, before accepting compensation, request that the Designated Agency Ethics Official (DAEO) of the individual's former DoD Component provide advice on the applicability of 10 U.S.C. 2397b (reference (f)), and this Directive to the acceptance of such compensation.

2. A request for advice shall be in writing and shall contain all relevant information.

3. If the DAEO receives a request for advice, the DAEO or designee shall issue a written opinion in response thereto not later than 30 days after receipt of all relevant information pertaining to the request.

4. If the advice rendered by the DAEO or designee states that the law and this Directive are inapplicable, and that the individual may accept the compensation from the contractor, then there shall be a conclusive presumption that the acceptance of the compensation is not a violation of 10 U.S.C. 2397b (reference (f)).

D. REMEDIAL ACTION

1. Any DAEO or designee who becomes cognizant of an apparent violation of these prohibitions shall seek an investigation by the Inspector General, DoD, or by the Inspector General of the applicable Military Department, or their designees.

2. After receiving the results of the investigation, the Secretary of Defense may refer the case to the Department of Justice.

E. PENALTIES

Pursuant to 10 U.S.C. 2397b(b)(1) (reference (f)), individuals who knowingly violate the prohibitions of this Section are subject to a civil fine of up to $250,000.

F. EFFECTIVE DATE

The effective date of 10 U.S.C. 2397b (reference (f)) is April 16, 1987. This statute does not preclude the continuation of contractor employment begun before the effective date, nor does it prohibit the acceptance of compensation for such employment. The statute does not apply if DoD service terminated prior to the effective date of 10 U.S.C. 2397b (reference (f)).

G. SPECIAL DEFINITIONS

For the purpose of this enclosure, terms used shall have the following meanings:

1. Armed Forces. The term "Armed Forces" does not include the United States Coast Guard.

2. Contractor-Operated Facility. Includes any facility leased or loaned by the United States to the contractor by written agreement. It does not include facilities located on a military installation where contractor personnel may work, but which is not either leased or loaned by the United States to the contractor by written agreement.

3. Compensation. Includes any payment, gift, benefit, reward, favor, or gratuity that is provided directly or indirectly for services rendered by the person accepting such payment and which has a fair market value in excess of $250. Compensation shall be deemed indirectly received if it is paid to an entity other than the individual, in exchange for services performed by the individual.

4. Defense Contractor. An entity that: a. contracts directly with the Department of Defense to supply the Department of Defense with goods or service; or b. controls or is controlled by an entity described in G.4.a., above; or c. is under common control with an entity described in G.4.a., above. The term does not include an affiliate or subsidiary of an entity described in G.4.a. if clearly not engaged in the performance of a defense contract, nor does it include a state or local government.

5. Designated Agency Ethics Official. An officer or employee of a component who has been appointed, pursuant to component procedures, to administer the provisions of the Ethics in Government Act. The term is abbreviated, DAEO. The DAEO for the Office of the Secretary of Defense is the General Counsel, OSD.

6. DoD Component. The Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), the Unified and Specified Commands, the Inspector General, and the Defense Agencies, including nonappropriated fund activities. The term does not refer to offices, divisions, or sections that are part of a larger Defense Agency.

7. Employee. This term does not include a part-time employee, as defined by 5 C.F.R. 340.202 (reference (y)), or a special Government employee.

8. Major Defense Contractor. Any business entity which, during the fiscal year preceding the fiscal year in which compensation is first received, was a defense contractor that received defense contracts in a total amount equal to or greater than $10,000,000.

9. Major Defense System. A combination of elements that will function together to produce the capability required to fulfill a mission need. Elements may include hardware, equipment, software, or any combination thereof, but excludes construction or other improvements to real property. A system shall be considered a major defense system if: a. the Department of Defense is responsible for the system and the total expenditures, for research, development, test and evaluation for the system are estimated to exceed $75,000,000 (based on fiscal year 1980 constant dollars) or the eventual total expenditure for procurement exceeds $300,000,000 (based on fiscal year 1980 constant dollars); or, b. the system is designated a "major system" under 10 U.S.C. 2302(5) (reference (r)) by the head of the agency responsible for the system.

10. Majority of Working Days. The majority of days actually worked during the period, excluding weekends, holidays, days of leave or sick days when the employee did not actually work. A work day on which an individual performed a procurement function includes any day on which the individual worked on that procurement function for any amount of time during that day.

11. Negotiation and Settlement. Exchange of views between Government representatives and a contractor regarding respective liabilities and responsibilities of the parties on a particular contract or claim. It includes deliberations regarding contract specifications, terms of delivery, allowability of costs, pricing of change orders, etc.

12. Primary Government Representative. If more than one Government representative is involved in any particular transaction, the official or officials supervising the Government's effort in that matter shall be the primary Government representative or representatives. To act as a "representative" requires personal and substantial participation in the transaction, by personal presence, telephone conversation, or similar involvement with representatives of a defense contractor. For example, if a contracting officer had been the person conducting all negotiations with a major defense contractor on a defense contract action of $10,000,000 or more, but a superior (e.g., an Assistant Secretary) intervened directly in the negotiation process to make a decision, he or she might become a primary Government representative for that defense contract action.

13. Procurement Related Function (or "procurement function"). Any function relating to: a. the negotiation, award, administration or approval of a contract; b. the selection of a contractor; c. the approval of a change in a contract; d. the performance of quality assurance, operational and developmental testing, the approval of payment, or auditing under a contract; or e. the management of a procurement program.

14. Separation of a Member of the Armed Forces. A person who is a retired or former member of the Armed Forces shall be considered to have been separated from service in the Department of Defense on the date of the person's discharge or release from active duty.

15. Special Government Employee. A person who is retained, designated, appointed, or employed to perform, with or without compensation, for a period not to exceed 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis. The term also includes a reserve officer who is serving on active duty involuntarily or for training for any length of time, and one who is serving voluntarily on extended active duty for 130 days or less. It does not include enlisted personnel.

ADMINISTRATIVE ENFORCEMENT PROVISIONS

A. APPLICABILITY AND SCOPE

1. These provisions shall apply to all DoD Components, other than those DoD Components that establish provisions of their own in accordance with this enclosure and which receive approval from the General Counsel, OSD.

2. This enclosure is adopted pursuant to 18 U.S.C. 207 (reference (p)) and 10 U.S.C. 2397, 2397a, and 2397c (reference (f)), which require the Department of Defense to develop administrative procedures for the review and disposition of reported violations of post employment restrictions and reporting requirements.

3. The procedures set forth in this enclosure may be used, at the discretion of the General Counsel, OSD, to accomplish administrative enforcement of all statutes and regulations which would require or allow their use.

B. POLICY

1. Administrative Procedure Act (APA). In cases in which an Administrative Procedure Act (APA) hearing is required by statute, APA rules shall be used. See 5 U.S.C. 551 et seq. (reference (s)).

2. Rules of Evidence. In the discretion of the hearing examiner, the rules of evidence may be relaxed from those established in the Federal Rules of Evidence. Evidence must be relevant and material to be considered.

3. Burden of Proof. The Department of Defense bears the burden of proof. A violation must be established by substantial evidence.

4. Protection of Privacy. The privacy of suspected individuals or entities shall be protected by safeguarding information concerning allegations and evidence, especially before initiation of administrative disciplinary action.

5. Reporting Suspected Violations

a. If any DoD officer or employee has reason to suspect that an individual or entity has violated a statute or regulation, as referenced in A.2. and A.3., above, the suspicion shall be reported immediately to the Designated Agency Ethics Official (DAEO) or designee.

b. If other individuals have reason to suspect that an individual or entity has violated a statute or regulation, the suspicion may be reported to any DoD officer or employee.

C. RESPONSIBILITIES

1. The General Counsel, Office of the Secretary of Defense (GC, OSD), shall:

a. administer the provisions of this enclosure for all DoD Components, except for cases arising in DoD Components that establish their own approved provisions in accordance with A.1. of this enclosure, above,

b. receive reports of alleged violations from the Inspector General, Department of Defense (IG, DoD),

c. receive memoranda of results of preliminary investigations from the IG, DoD,

d. review copies of reports and memoranda from the IG, DoD, to determine if it is reasonable to believe there may have been a violation,

e. provide copies of reports and memoranda regarding cases where it is reasonable to believe there may have been a violation, to the Director, Office of Government Ethics (OGE),

f. provide copies of reports and memoranda regarding cases where it is reasonable to believe there may have been a violation, to the Criminal Division, Department of Justice (DoJ),

g. coordinate investigations and administrative disciplinary actions with the DoJ Criminal Division, unless DoJ advises that criminal proceedings will not be pursued,

h. initiate administrative disciplinary action, in cases where it is reasonable to believe there may have been a violation, by providing the suspected individual or entity with notice as described in D.2., below,

i. request the head of the DoD Component in which the case arose to appoint a Government representative to present evidence of violations,

j. in cases not subject to the APA, request the head of a DoD Component, other than the DoD Component in which the case arose, to appoint a hearing examiner,

k. in cases subject to the APA, request an Administrative Law Judge to be appointed by the Office of Administrative Law Judges to serve as hearing examiners,

l. receive written appeals from suspected individuals or entities,

m. make appeal decisions, when appeals are timely submitted, after reviewing the findings of facts and decision of the hearing examiner and the appeal,

n. impose administrative disciplinary sanctions when applicable,

o. mail copies of appeal decisions and/or any sanctions to be imposed to the suspected individuals of entities along with statements notifying of the right to seek judicial review of administrative decisions.

2. The Inspector General, Department of Defense (IG, DoD), shall:

a. receive reports of suspected violations directly from DAEOs or designees,

b. submit copies of reports of suspected violations to the GC, OSD,

c. perform preliminary investigations of cases reported by DAEOs or designees,

d. submit memoranda reporting results of investigations to the GC, OSD.

3. The Designated Agency Ethics Official (DAEO) or Designee shall:

a. receive reports of suspected violations from DoD personnel and other individuals,

b. review reports of suspected violations to determine whether the report is frivolous,

c. submit written reports of suspected violations, when the information regarding the violations is not frivolous, directly to the IG, DoD, and not through ordinary DoD Component channels.

4. The Hearing Examiner shall:

a. hear each case in accordance with the hearing procedures specified in D.4., below,

b. make a written report of all findings of fact and conclusions of law, including mitigating factors,

c. make a written decision and recommendation of administrative disciplinary sanctions to be imposed,

best copy available

d. submit the report, the decision, and any recommendations to the GC, OSD, through the DoD Component Head,

e. mail a copy of the report, the decision, and any recommendations to the suspected individual or entity,

D. PROCEDURES

1. Initiation of Administrative Disciplinary Action

a. Administrative disciplinary actions are initiated by providing suspected individuals or entities with notice of the report of a violation and notice of the intention to begin administrative disciplinary proceedings at least 20 calendar days prior to the beginning of such proceedings.

b. When hearings are required by statute, a hearing shall be conducted before imposition of administrative disciplinary sanctions unless the suspected individual or entity waives the hearing in writing in accordance with D.2.c. and d., below.

c. When hearings are not required by statute, a hearing may be requested in writing by the suspected individual or entity in accordance with D.2.e. and D.2.f., below.

2. Content of Notice

Notice to initiate administrative disciplinary proceedings shall include the following:

a. a statement of allegations, and the basis thereof, sufficiently detailed to enable the suspected individual or entity to prepare an adequate defense,

b. notification of the right to a hearing when a hearing is required by statute,

c. the procedure for waiving the right to appear at the hearing when a hearing is required by statute,

d. a copy of a written waiver that shall include a statement that the signer understands that the signer has the right to appear at a hearing and that administrative disciplinary sanctions may be imposed even if the signer does not appear at a hearing,

e. when a hearing is not required by statute, a statement to the effect that if the suspected individual or entity fails to request such a hearing in writing, the Department of Defense may take administrative disciplinary action which may result in imposition of administrative disciplinary sanctions,

f. the procedure for requesting a hearing when a hearing is not required by statute,

g. notice that the failure to appear at a scheduled hearing shall constitute a constructive waiver of the right to appear at the hearing,

h. the date, time, and place of a scheduled hearing; however, suspected individuals or entities shall be scheduled to appear for hearings in the federal judicial district in which the individual or entity resides or in the federal judicial district in which the alleged violation occurred.

i. a statement of hearing rights in accordance with D.4.a., below,

j. a copy of these Administrative Enforcement Provisions (enclosure 11).

3. Hearing Examiners

a. Hearing examiners shall be attorneys with not less than three years experience in the practice of law subsequent to admission to the bar.

b. A hearing examiner shall be impartial. An individual who has participated in the decision to initiate proceedings shall not serve as a hearing examiner in those proceedings.

c. In cases not subject to the APA, the GC, OSD, shall request the Head of a DoD Component, other than the DoD Component in which the case arose, to appoint a hearing examiner.

d. In cases subject to the APA, Administrative Law Judges (ALJ) shall be used as hearing examiners. The GC, OSD, shall forward a written request to the Office of Administrative Law Judges, Office of Personnel Management. See 5 U.S.C. 3344 (reference (s)). The request shall contain the following:

(1) the requisite authority requiring an APA hearing for the particular statutory violation,

(2) the status of the case,

(3) the tentative hearing date,

(4) the point of contact within the Department of Defense and,

(5) an acknowledgment that the request is being made on a reimbursable, intermittent basis.

4. Hearings

a. The hearing examiner shall have the power to do the following:

(1) administer oaths and affirmations,

(2) issue subpoenas authorized by law,

(3) rule on offers of proof and receive relevant evidence,

(4) take depositions or have depositions taken when justice shall be served,

(5) regulate the course of the hearing,

(6) hold conferences for the settlement or simplification of the issues by comment from the suspected individual or entity and the Government representative,

(7) dispose of procedural requests or similar matters, and

(8) make decisions, in writing, on the merits of the particular case, as well as written recommendations of administrative disciplinary sanctions.

b. Suspected individuals and entities shall have hearing rights which include the following:

(1) the right to self representation, or to be represented by counsel,

(2) the right to introduce evidence and witnesses and the right to examine adverse witnesses,

(3) the right to stipulate to facts,

(4) the right to present oral argument,

(5) the right to receive a transcript or recording of the proceedings upon request, and

(6) additional rights that may be in the Administrative Procedure Act, if applicable.

c. Before the hearing examiner makes a decision, or the GC, OSD, makes an appeal decision, the suspected individual or entity and the Government representative may submit the following material for consideration:

(1) proposed findings and conclusions, or

(2) exceptions to the decisions of the hearing examiner, or to the tentative decisions of the GC, OSD, and

(3) supporting reasons for the exceptions or proposed findings or conclusions.

d. The record shall reflect the ruling on each finding, conclusion, or exception. All decisions by the hearing examiner or the GC, OSD, shall be a part of the record, along with the reasons and basis for such findings and decisions.

5. Appeals

a. Within 20 days following the date on the report and recommendations from the hearing examiner, the suspected individual or entity may file an appeal with the GC, OSD. An appeal shall be in writing, and shall set forth all errors of fact, law, or both, together with the reasons, alleged to exist in the report from the hearing examiner.

b. Extensions of time to file an appeal may be granted at the discretion of the GC, OSD, upon receipt of a written request for an extension from the individual or entity concerned.

c. The GC, OSD shall make a written appeal decision if any appeal is submitted timely, after reviewing the report of findings of facts, the decision, and recommendations from the hearing examiner.

d. If the appeal decision is not in accordance with the report of findings of facts, the decision, or recommendations from the hearing examiner, the reasons shall be specified.

e. The decision of the GC, OSD, shall be the final administrative determination. The appeal decision shall be mailed to the suspected individual or entity along with a statement, if applicable, that the individual or entity may seek judicial review of the administrative determinations.

6. Administrative Sanctions

a. The GC, OSD, may take appropriate disciplinary action when indicated by the outcome of a case involving a violation of 18 U.S.C. 207 (reference (p)) by:

(1) Prohibiting the individual or entity from making, on behalf of any other person except the United States, any formal or informal appearance before, or any oral or written communication with the intent to influence, to the Department of Defense, its

officers or employees, on any matter of business for a period not to exceed five years. This may be enforced by directing DoD officers and employees to refuse to participate in any such appearance, or to accept any such communication.

(2) Barring the individual or entity from employment by the Department of Defense for a period not to exceed five years.

b. The GC, OSD, may take appropriate disciplinary action whenever indicated by the outcome of a case involving violations of 10 U.S.C. 2397, 2397a, or 2397c (reference (f)) by:

(1) Imposing an administrative penalty, not to exceed $10,000.

(2) With respect to violations of 10 U.S.C. 2397a (reference (f)), imposing an additional administrative penalty of a particular amount if the individual is determined to have accepted or continued employment with a defense contractor during the 10-year period beginning with the date of separation from Government service.

c. The GC, OSD, may take other appropriate disciplinary action when indicated by the outcome of a case in accordance with the laws or regulations violated.

7. Judicial Review

Any individual or entity found in violation as described, and against whom an administrative sanction is imposed, may seek judicial review of the final administrative determination.

DEPARTMENT OF DEFENSE
DIRECTIVES SYSTEM TRANSMITTAL

NUMBER	DATE	DISTRIBUTION
5500.7, Ch 1	September 6, 1988	5000 Series

ATTACHMENTS

Pages 8-3&8-4

INSTRUCTIONS FOR RECIPIENTS

The following pen and page changes to DoD Directive 5500.7, "Standards of Conduct," May 6, 1987, are authorized:

PEN CHANGES

Page 5-4

Paragraph C.1.a., lines 1 through 3. Change ", but no later than 45 days following the reporting individual's entry into" to "in"
Paragraph C.1.b., line 3. Change "September 30" to "November 30"
Paragraph C.1.c., lines 2 and 3. Change "no later than 30 days following" to "before"
Paragraph C.1.d., line 1. Change "The" to "For annual statements only, the"

Page 5-5

Paragraph C.3.d., line 4. Delete ", and notify the reporting individual in writing that this action was taken."
Paragraph C.3.d., line 4. Add a period after the word "report"

Page 5-6

Subsection D.4., line 3. Change "in the comment section of the" to "on the"
Subsection D.4., line 5. Change "1787" to "1555."
Subsection D.4., lines 5 and 6. Delete "and send written notice of that action to the reporting individual."

Page 6-3

Paragraph C.3.d., lines 5 and 6. Delete ", and notify the reporting individual in writing that this action was taken."
Paragraph C.3.d., line 5. Add a period after the word "report"

Page 6-4

Subsection D.4., lines 4 and 5. Delete "and send written notice of that action to the reporting individual."
Subsection D.4., line 4. Add a period after "278"

PAGE CHANGES

Remove: Pages 8-3&-8-4
Insert: Attached replacement pages

Changes appear on pages 8-3&8-4, and are indicated by marginal asterisks.

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

SD FORM 106-1
1 MAR 84

PREVIOUS EDITIONS ARE OBSOLETE

NUMBER	DATE	
5500.7, Ch 1	September 6, 1988	DEPARTMENT OF DEFENSE DIRECTIVES SYSTEM TRANSMITTAL

INSTRUCTIONS FOR RECIPIENTS (continued)

EFFECTIVE DATE

The above changes are effective immediately.

James L Elmer
JAMES L. ELMER
Director
Correspondence and Directives

SD FORM 106-1
1 MAR 84

Encl 1
DCAAR 5500.2

DEPARTMENT OF DEFENSE
DIRECTIVES SYSTEM TRANSMITTAL

NUMBER 5500.7, Ch 2	DATE October 11, 1988	DISTRIBUTION 5000 Series

ATTACHMENTS
None

INSTRUCTIONS FOR RECIPIENTS

The following pen changes to DoD Directive 5500.7, "Standards of Conduct," May 6, 1987, are authorized:

PEN CHANGES

Page 5-4, paragraph C.1.b., line 2. Change "October 31" to "November 30"
Page 5-4, paragraph C.1.b., line 3. Change "November 30" to "September 30"

This Change is issued to correct administrative errors to this paragraph in Change 1 dated September 6, 1988.

EFFECTIVE DATE

The above changes are effective immediately.

James L Elmer
JAMES L. ELMER
Director
Correspondence and Directives

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

SD Form 106-1, MAR 84

PREVIOUS EDITIONS ARE OBSOLETE

DEFENSE CONTRACT AUDIT AGENCY STANDARDS OF CONDUCT STATEMENT

I hereby state that I have read, I understand and I will comply with the standards of conduct provisions which are set forth in DCAAR 5500.2 and DoD Directive 5500.7.

SIGNATURE OF EMPLOYEE *(One form for each employee)*	DATE

DCAA Form 5502-1
September 88

Replaces July 1965 Edition which is obsolete

APPROVAL OF OFF-DUTY EMPLOYMENT

I. GENERAL. DCAA personnel must consider the implications of the DoD Standards of Conduct and ethics guidance contained in this regulation when they consider potential off-duty employment opportunities. No DCAA employee may engage in off-duty employment that would constitute a violation of the standards of conduct and/or create, or appear to create, a conflict of interest between his or her DoD/DCAA position and his or her off-duty interest in such employment.

II. FORMAL WRITTEN APPROVAL FOR AUDITOR PERSONNEL. Given the nature of DCAA's mission, it is particularly critical that DCAA auditor personnel avoid off-duty employment (including self-employment) that could potentially violate the standards of conduct and DoD/DCAA ethics guidance. A formal approval procedure has been established to provide review of potential employment opportunities, for the protection of both the employee and the Agency. Because of the disciplinary problems that may arise from employment that involves an actual or apparent conflict of interest, DCAA personnel in auditor positions (positions in the GS-511 series) will obtain formal written supervisory review of existing or proposed off-duty employment if there is any question whether the off-duty employment may constitute the appearance of a conflict of interest.

III. PROCEDURE FOR FORMAL REVIEW.

A. Review and approval of off-duty employment shall be accomplished by the first supervisor in the auditor-employee's chain of supervision who has a grade of GM-15 or above. The employee shall provide a written letter or memorandum to the reviewing official through all intermediate supervisors. That letter or memorandum shall contain, as a minimum, the following information:

1. The name of the employer (or self-employment shall be indicated).

2. The nature and scope of the duties to be performed, to include hours of work.

3. Information regarding any connection between the employer, or the employment, and contractor firms audited by DCAA.

4. Whether the employment will involve a business relationship with employees of contractor firms audited by DCAA.

5. The employer's address, phone number, and hours of operation.

6. Information on compensation arrangements (salary, wages, commission, benefits, etc.).

B. Supervisors shall review off-duty employment based on the Standards of Conduct and ethical requirements for DoD/DCAA employees in this regulation and DoD Directive 5500.7. In particular, supervisors should review the guidance and examples of prohibited off-duty employment in Enclosures 5, 6, 7, 8, and 9, and provide employees a prompt written response upon completion of the review.

C. Off-duty employment shall not be disapproved unless the supervisor has determined that there would be a violation or an appearance of a violation of the Standards of Conduct, or other applicable ethical requirements, as contained in this regulation.

D. Employees whose off-duty employment has been disapproved shall be notified that they may request further review by the General Counsel. Supervisors reviewing off-duty employment also are encouraged to consult with the General Counsel.

ENDORSEMENT OF UNOFFICIAL PROGRAMS

By virtue of the position that most senior officials hold, they may receive requests from charitable or other worthy organizations to use their names and titles in conjunction with benefits or similar fund-raising functions. This sometimes is in the form of a request to include one's name as a member of an "honorary committee." While this normally does not require direct involvement with the particular function, it may give the appearance of DoD sanction to the activity. A summary of the applicable rules will help to avoid misunderstanding and embarrassment.

While the endorsement of a private fund-raising program by an official will not benefit that official personally, it bestows an unauthorized official benefit upon the sponsors of the program. It also must be recognized that there are a great many worthy programs seeking support. The official is not in a position to select the most deserving from among all of those asking for his or her endorsement. Those endorsed will appear to have received preferential treatment.

Support of charitable activities shall be limited to programs administered by the Office of Personnel Management under its delegation from the President and to those other programs authorized by regulations of DoD components (DoD Directive 5035.1, "Fund-Raising Within the Department of Defense").

Even if a requested endorsement is not for fund-raising purposes, caution will be exercised. The objections of potential misuse of private office and preferential treatment still apply. It generally is not possible for senior officials to separate their personal endorsement from an apparent official endorsement by DoD.

SERVICES TO CONTRACTORS OR CONTRACTOR'S EMPLOYEES

An auditor may not accept any engagement for compensation from employees of contractors for whom he or she has any audit responsibility. Confusion about this restriction could lead to embarrassment and disciplinary action.

Restrictions on off-duty employment by employees of the Department of Defense are set out in DoD Directive 5500.7 and this regulation. Specifically outside employment is prohibited when it:

a. interferes, or is not compatible, with the performance of the employee's government duties;

b. may reasonably be expected to bring discredit on the government or DCAA; or

c. is otherwise inconsistent with Standards of Conduct regulations, including the requirements to avoid actions and situations which reasonably can be expected to create an appearance of a conflict of interest. In brief, off-duty employment is a prohibited activity if it is related to an employee's official duties, either in an actual sense or by appearance.

When an auditor performs services as an employee or consultant of a contractor that is audited by his or her field audit office, there is, at very least, an apparent conflict of interest. It is likely that there is an actual conflict, as well. Also, a DCAA auditor may not continue to represent the government at a contractor who employs people with whom the auditor has a business relationship. This includes the providing of tax services to such contractor employees. (See Enclosure 6.)

Any violations of this restriction on outside employment will be viewed as conduct inconsistent with the Standards of Conduct.

RESTRICTIONS ON PERFORMING OFF-DUTY TAX SERVICES

The following restrictions are applicable to DCAA employees who engage in any form of off-duty tax practice or tax service.

Such activity is permitted provided it does not conflict, or appear to conflict, with official duties. No aspect of the activity may be conducted on government premises or government time. The use of government photo-copy machines, secretarial services, government furnished telephone service, computers, etc., is strictly prohibited.

The prohibition against an actual or apparent conflict of interest restricts a DCAA employee from accepting certain types of clients. Three major principles apply.

a. A DCAA employee may not accept as a client any officer, employee or consultant of a contractor or subcontractor that is under the audit cognizance of the DCAA employee's audit office; no exception is permitted to this prohibition.

b. DCAA employees will exercise care in accepting as a client an officer, employee, or consultant of a contractor, subcontractor, or grantee that is under the audit cognizance of any other element of DCAA. Before accepting as a client an individual with duties that impact on the management of such contractor, subcontractor, or grantee, the DCAA employee will discuss the matter with his supervisor, and if there is a question of a conflict of interest, guidance from the Office of General Counsel, DCAA shall be sought.

c. Two Federal criminal statutes, 18 U.S.C. § 203 and 18 U.S.C. § 205, further limit the off-duty tax practice of a DCAA employee. These statutes prohibit, with precise exceptions, any Federal employee from representing another person before a Federal or District of Columbia agency or court on any matter which the United States, or the District of Columbia, is a party or has an interest. This criminal prohibition applies to administrative representation before the Internal Revenue Service (IRS). Therefore, while a DCAA employee may prepare an income tax return and sign as the preparer, there are restrictions on his/her subsequent services. If, for example, the taxpayer is called in for an audit by the IRS, a DCAA employee who prepared the returns may only answer direct factual questions, such as which taxpayer records were used to compile the figures on the return, but he may not argue any theories or positions to justify the use of one figure rather than another, since that would constitute prohibited representation. The prohibition against representation also precludes government employees from being designated as a representative on IRS Forms 2848 or 2848D.

The foregoing statutes also prohibit a Federal employee from receiving compensation for anyone else's representation before a Federal court or agency. Therefore, if a DCAA employee participates in an accounting or tax service business with a partner, and that partner is compensated for representation before a Federal court or agency, the DCAA employee may not share in that compensation directly or indirectly. Thus, partnership arrangements must be drafted in a manner to assure that such prohibited shared compensation does not occur.

DCAA employees engaged in off-duty tax preparation have a responsibility to inform their clients in advance that their status as Federal employees precludes them from acting in any representational capacity. Failure to advise a client of the prohibition against representation may lead to legal disputes with the client, challenges to professional accreditation or licenses, and/or charges of appearance of impropriety in violation of the Standards of Conduct for Federal employees. DCAA employees also may seek individual advice on the nature and extent of their duty to inform clients of the nature of these restrictions from sources such as professional organizations, state regulatory agencies and boards, and private legal counsel.

OFF-DUTY EMPLOYMENT AS A MEMBER OF A PARTNERSHIP

The problems presented by off-duty partnerships result primarily from the legal attributes and public perception of a partnership. Under the law, and in the eyes of the public, partners have mutual duties, obligations, responsibilities, and shared benefits. Furthermore, persons or firms doing business with a partnership normally may call upon other partners to carry out the partnership obligations when one partner is unable, unwilling or unavailable to meet those obligations. It is this close relationship between partners which presents the problems for government employees who wish to be members of off-duty partnerships. Consequently, the actions of a partner must conform to the restrictions on off-duty employment which apply to the government employee partner. This means that a partnership may not undertake any client, work, or enter into any relationship which would constitute a violation of the conflict of interest or standards of conduct laws or regulations applicable to the government employee partner. Such restriction applies regardless of which partner makes the agreement and regardless of how the work or proceeds from the work are divided. The U.S. Criminal Code recognizes and specifically prohibits certain activities by the partners of a government employee. Title 18, United States Code § 207(g) prohibits a partner of a Federal Government employee from acting as an agent or attorney in a matter for which the government employee is, or has been, personally involved in connection with his government duties. Violators of this law are subject to fine and/or imprisonment.

DCAA employees must exercise considerable care before they join a partnership. As a minimum, a written agreement signed by all the partners, should be prepared. The partners must agree not to involve the partnership in activities that would constitute a conflict of interest for the DCAA employee partner. Further, even with such a written agreement, there is a danger of actual or apparent conflict of interest resulting from the other partners' "outside" clients or business relationships. This may occur if the other partners enter into business relationships which would be a conflict of interest for the DCAA employee partner but which are nominally or actually conducted by the other partner outside the partnership. In this situation there may be an appearance to the client, customer, or public that the partnership (which includes the DCAA employee) is involved. An employee who joins a partnership must remain vigilant regarding such possibilities. In order to protect the DCAA partner, the written partnership agreement should have appropriate provisions to eliminate the risk that such outside activities are attributed to the partnership.

As is always the case in off-duty employment situations, it is the duty of the government employee to assure that such activities do not cause conflicts of interest or otherwise violate the Standards of Conduct. Employees who are required to file DD Form 1555, Confidential Statement of Affiliations and Financial Interests, should be aware that affiliation as a partner in an off-duty partnership is required to be reported in Part I of the form. Persons who report such affiliations should be prepared to document that their affiliation conforms to this guidance.

PARTICIPATION IN ACTIVITIES OR ORGANIZATIONS WHICH ARE AFFILIATED WITH, SUPPORTED BY, OR OTHERWISE CREATE AN APPEARANCE OF A RELATIONSHIP WITH A CONTRACTOR

DCAA employees and members of their household must avoid activities and relationships which may create a conflict, or the appearance of a conflict, between their duties as DCAA employees and their personal activities. DCAA employees will not join or participate in activities which are affiliated with, sponsored or supported by, or otherwise appear to have a clear relationship to a contractor firm that is audited by DCAA. Generally this means that DCAA employees and members of their household will not join, use, or participate in:

a. contractor operated or subsidized recreation programs;

b. contractor operated or subsidized teams;

c. cafeterias or executive dining facilities which receive substantial subsidies or financial support from the contractor. Food service operations which are operated on essentially a break-even basis and which sell food items at prices comparable to similiar commercial restaurants or cafeterias in the adjacent area may be utilized if approved by the responsible DCAA supervisor (resident auditor or branch manager). Supervisors shall not approve the use of facilities which are limited to use by executives or high level officials of the contractor;

d. contractor operated or subsidized vacation or travel programs, resorts, lodges, clubs, golf courses, gymnasiums or similar facilities;

e. contractor operated or subsidized discount programs for merchandise or services;

f. contractor supported or subsidized educational or professional development programs (this does not preclude attending courses offered by independent educational institutions which are held on the contractor's facility but for which registration enrollment rules and standard tuition charges are determined by the independent institution and are the same as for courses held off the contractor's facility);

g. contractor operated or subsidized transportation services (to include subsidized bus or vanpool services);

h. other programs or services which are subsidized or operated by a contractor; and,

i. credit unions whose fields of membership are comprised primarily of employees of contractors audited by DCAA. This policy is necessary due to the sensitive nature of DCAA's mission and the DoD Standards of Conduct directive. Case-by-case determinations have to be made. Factors such as the name of the credit union (which frequently include's the contractor firm's name) and the fact that contractor employees frequently have significant roles in the management of these "investor owned" organizations, create situations wherein actual or apparent conflicts of interest may exist. The policy does not preclude DCAA employees from joining all credit unions. Many have broad fields of membership that do not fall within this restriction. The restriction only focuses on those credit unions that have employee units of a contractor firm audited by DCAA among their fields of membership. The DCAA policy is not a preferential one, but rather a neutral measure designed to protect the agency and its employees from actual or apparent standards of conduct problems.

RESOLVING CONFLICTS OF INTERESTS POSED BY EMPLOYMENT OF RELATIVES AND HOUSEHOLD MEMBERS BY DEFENSE CONTRACTORS

I. GENERAL. Given the nature of DCAA's mission, there is a potential for actual or apparent conflicts of interests when relatives of DCAA employees work for a defense contractor. The policy in this enclosure provides guidance to resolve and/or avoid such conflicts.

II. DEFINITIONS.

A. For the purpose of this enclosure the word "relative" is used as a term for spouses, minor children and household members.

B. The term "household member" means any person whose principal residence is the same as that of the DCAA employee.

C. The term "employee of a contractor" (and all variants) includes persons who receive compensation from a contractor as a consultant, individual subcontractor, or an employee of a subcontractor that has contracts subject to audit by DCAA.

III. POLICY.

A. In the Headquarters and the Regional Offices employees shall not receive assignments nor participate in decisions which involve contractors that employ their relatives. In addition, to avoid the possibility that a future assignment might include such a contractor, a disqualification statement will be executed.

B. Employees will not be assigned, or continue to serve, as chiefs of branches which have audit cognizance over contractors which employ their relatives.

C. If a contractor under the audit responsibility of a branch office employs a relative of an auditor in the branch, that auditor will not participate in audits of that contractor. In addition, to avoid the possibility of inadvertent assignments to that contractor, the auditor will execute a disqualification statement.

D. No auditor, regardless of position or grade, will be assigned to, or continue to be employed in , a resident office at a contractor which employs his/her relative. A disqualification statement will not suffice to resolve this type of conflict unless a waiver is obtained as provided in paragraph H below.

E. The fact that a relative is employed in a nonaudited division of a contractor, or is in a nonmanagement position does not resolve a conflict.

F. In the case of a DCAA administrative employee, a determination must be made whether the administrative employee exercises judgement or otherwise is involved in matters affecting the financial interest of a contractor that employes his/her relative. In making this determination, the nature of the duties of the DCAA employee, and the position of the relative in the contractor's organization, will be evaluated. The advice of the DAEO or a Deputy Ethics Official should be obtained in the evaluation process. If a conflict exists, the foregoing guidelines will apply.

G. Although these provisions apply only to conflicts growing out of the employment of spouses, minor children and household members, auditors generally should not be assigned audit responsibilites relating to contractors that employ parents, brothers, sisters, or adult children. Authority to deviate from this guideline may be exercised by the Regional Directors, Heads of Prinicipal Staff Elements, and the Director, Field Detachment as appropriate. The advice of the DAEO will be obtained prior to the exercise of this authority.

H. Where a Regional Director, a Head of a Principal Staff Element or the Director, Field Detachment, determines that circumstances warrant an exception, a request for a waiver of any provision appearing in A through F above may be made. Such waiver will require the written review by the DAEO and may be granted only by the Director, or Deputy Director.

I. If a DCAA employee learns that he or she is being considered for an assignment which could result in a conflict of interest, he or she will immediately notify the appointing official of the potential conflict.

IV. DISQUALIFICATION STATEMENTS. There is no prescribed form for a disqualification statement. However, the statement must be in writing and shall contain the following information: l) the name of the contractor which employs the relative, 2) a statement that the employee is disqualified from any assignment or duties that would reasonably be seen to affect the financial interests of that contractor, 3) the date of the disqualification, and 4) the signature of the employee. The disqualification shall be provided to the employee's immediate supervisor and/or to the branch manager/FAO office chief, as applicable. A copy of the disqualification shall be maintained on file in the employee's DCAA office. Notification copies of the disqualification shall also be provided to all of the employee's immediate subordinates.

REPORT OF POTENTIAL EMPLOYMENT CONTACTS
10 U.S.C. § 2397a

A. PERSONNEL REQUIRED TO MAKE REPORTS.

1. Under 10 U.S.C. § 2397a DCAA personnel who (1) are "covered defense officials", (2) participate in a "procurement function" involving a "defense contractor" and (3) contact, or are contacted by, a representative of that "defense contractor" regarding future employment, shall report the contact immediately, as indicated in this enclosure.

2. For the purposes of 10 U.S.C. § 2397a and this enclosure, the terms "covered defense official", "procurement function" and "defense contractor" are defined as follows:

a. "Covered defense official." Any individual serving as a civilian officer or employee of the Department of Defense in a position for which the rate of pay is equal to, or greater than, the minimum rate of pay for GS-11 (including at or above GS-10, step 4) or any officer on active duty in the Armed Forces in a pay grade of O-4 or higher.

b. "Procurement function." This term includes, with respect to a contract, any function relating to (1) the negotiation, award, administration or approval of the contract, (2) the selection of a contractor, (3) the approval of changes in the contract, (4) quality assurance, operation and developmental testing, the approval of payment, or auditing under the contract, or (5) the management of the procurement program.

c. "Defense contractor." An individual or business entity that provides services, supplies, or both (including construction), to any component of the Department of Defense. Individuals and business entities holding contracts with combined net cost of not more than $25,000 in any calendar year shall not be considered defense contractors, during such year.

3. DCAA auditor personnel who meet the definition of a "covered defense official" are subject to this reporting requirement with regard to contacts with contractors for which they have any current audit responsibility.

B. CONTENT OF REPORT.

1. **Reports of Contact.** Covered defense officials promptly shall report any contact regarding future employment with a defense contractor. Reports of contact shall include the following:

a. name, title, agency address, and telephone number of the reporting official;

b. name of the defense contractor concerned;

c. date of each contact covered by the report; and

d. a brief description of the substance of each contact.

2. **Disqualifications.** Covered defense officials shall disqualify themselves from all participation in the performance of procurement functions relating to contracts of the defense contractor for any period for which future employment opportunities for the official have not been rejected by the official or the defense contractor. Such disqualification shall be in writing and shall be filed with the official's

supervisor or superior, and all immediate subordinates. A copy of the disqualification will be sent to the General Counsel, DCAA. Reports of disqualification shall accompany reports of contacts and shall include the following:

a. the name of contractor.

b. extent of disqualification (this may be a description of duties the official may not perform as a result of the disqualification);

c. identification of the individual or office that shall handle duties during disqualification period; and

d. an explanation of any other steps required to avoid potential conflict of interest.

3. **Cancellations**. Disqualifications are considered to remain in effect until canceled in writing. A copy of the cancellation shall be sent to the General Counsel, DCAA. Such cancellations shall include:

a. a copy of the original disqualification;

b. an explanation of the reason for the cancellation; and

c. the effective date of the cancellation.

4. **Limited Exception.** A covered defense official is not required to report the first contact initiated by a defense contractor regarding employment, or to disqualify him or herself, if the "covered defense official" terminates all discussions immediately. If an additional contact of the same or similar nature is made by or with the contractor, the official shall report the additional contact, and all contacts of a same or similar nature, made by or with the contractor during the 90-day period ending on the date the additional contact is made.

C. SUBMISSION AND REVIEW OF REPORTS.

1. **Time of Filing**. Reports of contact and disqualifications shall be filed immediately after the contact. Cancellations shall be filed when applicable.

2. **Submission**. The original of reports of contact, disqualifications and cancellations shall be filed with the supervisor, the immediate subordinates, and the General Counsel, DCAA.

3. **Review.**

a. The supervisor shall review each report of contact, disqualification, and cancellation to determine that the document contains all required information.

b. The date and time of receipt shall be noted on each report.

c. The General Counsel, DCAA or his designee, shall counsel DoD officers and employees and provide guidance in specific instances regarding the need for reports or disqualification action.

d. If a written opinion of the General Counsel, DCAA, is desired, it shall be given in response to a written request from the officer or employee. Such request for an opinion shall contain a full account of the relevant facts.

e. There shall be a rebuttable presumption in favor of a covered defense official that failure to report a contact with a defense contractor, or failure to disqualify himself from participation in the performance of certain procurement functions, is not a violation, if the defense official has received an opinion in writing from the General Counsel, DCAA, stating that a report or disqualification by the official was not necessary.

D. REMEDIAL ACTION.

1. Supervisors taking remedial actions in connection with any report shall keep a record of such action with each report. A copy shall be provided to the General Counsel, DCAA.

2. Violations of these requirements shall be reported to the General Counsel, DCAA. The General Counsel, DCAA shall notify the General Counsel, DoD, of those cases wherein administrative enforcement action should be considered.

E. RELATIONSHIP TO OTHER RESTRICTIONS IN THIS REGULATION. The reporting and disqualification requirements imposed on covered defense officials by 10 U.S.C. § 2397a and this enclosure do not change the more general and less formal reporting and disqualification requirements found in Enclosures 9 and 11 of this regulation. Those provisions apply to all DCAA employees and not just covered defense officials as defined in this enclosure. However, covered defense officials who follow the provisions of this enclosure will be deemed in full compliance with the more general reporting and disqualification requirements of Enclosure 9 and 11.

F. PENALTIES.

1. **Administrative Penalties**. Potential penalties include the following:

a. prohibition of employment with the defense contractor for up to 10 years from date of separation from employment or service with the Department of Defense,

b. administrative penalty not to exceed $10,000 under 10 U.S.C. § 2397a (reference (f)).

2. **Criminal Liability**. Any individual who knowingly or willfully falsified information on a report required to be filed under this enclosure may also be subject to criminal prosecution under 18 U.S.C. § 1001 (reference (p)).

CONSIDERATIONS WHEN SEEKING NON-FEDERAL EMPLOYMENT

I. GENERAL. When a DCAA employee leaves Federal Service and begins working for a business with which the employee has conducted official business, or one which might have been affected by the employee's performance of official duties, the public may perceive that the public's interest has been compromised. There is the concern that the former employee may have been more interested in future employment than the diligent performance of official duties and protecting the government's interests. In many cases, such employment is now prohibited by law (see Enclosure 3 to the DoD Directive, paragraph B). Employees must be sensitive to this public perception when considering future employment opportunities and avoid any action which would cause loss of public confidence in their performance of official duties.

II. DISQUALIFICATIONS WHILE SEEKING NON-FEDERAL EMPLOYMENT. DCAA personnel shall not perform official duties, or otherwise participate in any official matter dealing with an organization with which the DCAA employee is pursuing employment, has an arrangement concerning future employment, or has a financial interest. Pursuing employment is not limited to firm offers of employment; it may be any action which could reasonably be construed as an indication of interest in future employment, including sending letters or resumes, telephone discussions, or the consideration of unsolicited proposals from a business entity regarding possible future employment.

DCAA personnel who have contact (regardless of who initiated it), or have any arrangement concerning future employment with an organization that may be affected by the performance of their official duties, shall immediately report the contact to their supervisor and to the Designated Agency Ethics Official or a Deputy Ethics Official. So long as the decision on future employment with the organization remains open, DCAA personnel will disqualify themselves from participating in any official action involving that organization. Thus, if a DCAA employee mails a resume to multiple organizations that may be affected by the performance of official duties, the employee shall report the sending of the resumes and disqualify himself/herself from participating in matters involving those organizations until either the organization or the employee specifically terminates the employment possibilities. DCAA employees will notify their supervisors and/or ethics officials prior to initiating any employment discussions with DCAA audited contractors. The disqualification procedures as set forth in Enclosure 10, paragraph B.2 may be used as a guide.

III. OBTAINING REVIEW OF PROSPECTIVE EMPLOYMENT WITH A CONTRACTOR. Since 10 U.S.C. § 2397b prohibits many former DCAA employees from accepting compensation from certain defense contractor firms, some DCAA employees may wish to obtain an opinion from the General Counsel, DCAA, as to whether their prospective employment will violate the law. Only those employees who during the previous 2 years have at any time served in a position for which the rate of pay is at or in excess of the minimum rate for grade GS-13 of the General Schedule (this will include some GS-12s) need such an opinion.

If an employee wishes to receive an opinion concerning the applicability of 10 U.S.C. § 2397b, a written request will be made to the General Counsel, DCAA. The following information must be included with the written request:

a. The employee's office and position assignment history for the last 2 years (to include grade, location, GS step(s), and beginning/ending dates for each of these items).

b. Federal employment work history for the last 2 years. This requires a list of all contractor firms that the employee has audited (or otherwise performed "procurement functions") for the past 2 years. The list also must include an accurate estimate of the number of working days during the past 2 years that any "procurement functions" were performed with regard to each contractor listed. Finally, the employee will provide an accurate estimate of the total number of his/her working days during the last 2 years (excluding leave, holidays, nonduty weekend days, AWOL days, days under suspension, or other days not in the status of a Federal employee).

c. The name of the contactor(s) (and contractor division, subsidiary and/or work element) for which post Federal employment or other compensated service is contemplated.

d. A telephone number where the employee can be contacted during duty hours.

e. The address to which a response to the employee should be mailed (a home address is permissable).

Once the letter is received, (and all relevant information has been provided) the General Counsel shall, not later than 30 days after receipt of all relevant information, issue a written opinion on the applicability of 10 U.S.C. § 2397b to the proposed post Federal employment or compensated service. When the employee is provided an opinion by the General Counsel that 10 U.S.C. § 2397b is inapplicable to the post-Federal employment or compensated service, and that opinion was based on full and accurate disclosure of the relevant information, then the employee will be protected by the provisions of 10 U.S.C. § 2397b(e)(4). That provision states that the General Counsel's determination shall give rise to a "conclusive presumption" that the post-Federal employment, or compensated service, does not violate the statute.

REQUIREMENTS FOR SUBMISSION OF DD FORM 1555 STATEMENTS OF AFFILIATIONS AND FINANCIAL INTERESTS

I. DCAA PERSONNEL REQUIRED TO SUBMIT STATEMENTS

A. Those in positions indicated in paragraph C. 6. c(l) of this regulation.

B. Special Government Employees (as defined in the DoD Directive at Enclosure 1).

1. Special government employees, shall file a DD Form 1555 prior to performing the duties of the position.

2. Some Special government employees may not be required to file DD Forms 1555. That determination shall be made by the General Counsel, DCAA.

II. REVIEW OF POSITIONS. Immediate supervisors shall annually review each position under their supervision, determine whether the position requires the incumbent to file a DD Form 1555, and notify each employee of the determination. The position description of each position shall state whether or not the incumbent must file a DD Form 1555. In the event the employee is dissatisfied with this decision, there is an appeal right to the Designated Agency Ethics Official, whose decisions shall be final.

III. MANNER OF SUBMISSION.

A. Time of Submission.

1. Employees will file a DD Form 1555 for review prior to performing the duties of a position that requires filing.

2. DD Forms 1555 shall annually be filed by 30 November each year for all affiliations and financial interests as of 30 September of that year. Even if no changes occur from the previous year, a new and complete DD Form 1555 is required to be filed each year.

B. To Whom Submitted.

1. DD Forms 1555 shall be submitted to the employee's immediate supervisor. Supervisors will complete their review of the form, resolve any apparent conflict (with advice from the Office of General Counsel, DCAA, as needed) and forward completed forms to their supporting resources/personnel activity (Regional Resources Manager for regional personnel; Assistant Director Resources for Headquarters, Field Detachment and the Defense Contract Audit Institute).

2. The supporting resources/personnel activity shall review forms received and assure that forms are received from each employee whose job description requires filing of a DD Form 1555. A consolidated report with all forms filed and an explanation of any missing forms shall be provided to the General Counsel, DCAA not later than 30 November.

3. Resources/personnel officers shall obtain DD Forms 1555 from newly appointed personnel as part of the appointment process. Those forms shall be reviewed by the supervisor and forwarded to the General Counsel, DCAA within 30 days of a new appointment.

C. Content of Report.

1. Instructions for completing the DD Form are included as a part of the form. Additional guidance may be obtained from the Designated Agency Ethics Official or Deputy Ethics Official.

2. The interest of a spouse, minor child, or any member of the employee's household shall be reported as if it were the interest of the employee. The interests of a spouse need not be reported if the spouse is not a household member and the employee and spouse have:

a. a final decres of separation,

b. an interim or interlocutory decree, or

c. a separation agreement formally executed by the employee and spouse in anticipation of its incorporation into a final decree of divorce or separation.

3. DCAA personnel are not required to submit on a DD Form 1555 any information relating to their connection with or interest in a professional society or a charitable, religious, social, fraternal, recreational, public service, civic or political organization, or a similar organization. However, educational or other institutions doing research and development or related work involving grants of money or contracts with the government must be reported.

4. An employee need not disclose the assets, sources of income, or transactions of a trust if:

a. the trust is a qualified blind or qualified diversified trust certified by the Office of Government Ethics, and is otherwise reported on the DD Form 1555 by name of trust and date of execution or,

b. the trust is an "excepted" trust, defined as follows:

(1) a trust that was not created by the DCAA employee, or the employee's spouse, or dependent child;

(2) a trust that consists of withholdings or sources of income of which the employee, or spouse, or dependent child have no knowledge; and

(3) which is disclosed as an asset or income source on the report.

5. DCAA personnel shall request submission on their behalf of required information known only to other persons, for example, holdings of spouse or other members of the household, executor of any estate, or trustee. The submissions may be made with a request for confidentiality that will be honored even if it includes a limitation of disclosure to the DCAA employee concerned.

D. Confidentiality of DD Forms 1555 of DCAA Personnel. See paragraph E of Enclosure 5 to the DoD Directive.

E. Effect of Statements on Other Requirements . The DD Form 1555 required of DCAA personnel is in addition to, and not in substitution for, any similar requirement imposed by statute, Executive Order, or regulation. Submission of a DD Form 1555 does not permit DCAA personnel to participate in matters in which their participation is prohibited by statute, Executive Order, or regulation.

F. Review of DD Forms 1555.

1. The immediate supervisor of the filing employee shall review the DD Form 1555 to evaluate whether there is a conflict or apparent conflict between the employee's private financial interests and

his or her official responsibilities. The immediate supervisor shall record the results of the evaluation in block 13.

2. DD Forms 1555 shall be reviewed to assure that:

a. each item is completed, and

b. no interest or position disclosed on the form violates or appears to violate any of the following:

(1) any applicable provision of Chapter 11 of Title 18 of the United States Code;

(2) the "Ethics in Government Act of 1978", as amended, and any regulations promulgated thereunder; or

(3) any other related statute or regulation applicable to the employees of the agency.

3. The supervisor need not audit the report to ascertain whether the disclosures are correct. Disclosures are to be taken at "face value" unless there is a patent omission or ambiguity, or the official has independent knowledge of matters outside the report. The supervisor's signature shall signify that he or she has found that the information in the report discloses no conflict of interest under applicable laws and regulations.

4. If the supervisor believes that additional information is required, the reporting individual shall be notified of the additional information required and the date by which it must be submitted.

5. Whenever the supervisor's review of a DD Form 1555 discloses a conflict or an apparent conflict of interest, the employee concerned will be given an opportunity to explain the conflict or apparent conflict to the immediate supervisor. Resolution of a conflict or apparent conflict will be made as provided in paragraph F. 2 of the DoD Directive. If the conflict or apparent conflict cannot be resolved by the supervisor, it will be forwarded, along with a copy of the employee's current position description, to the Designated Agency Ethics Official for resolution.

G. **Remedial Action.**

See paragraph D of Enclosure 5 to the DoD Directive.

H. **Retention of Statements**. DD Forms 1555 shall be retained for 6 years from the date of filing.

I. **Penalties**.

1. **Administrative Penalties**. Any individual failing to file a complete report or falsifying information, may be subject to any appropriate personnel or other action in accordance with applicable law or regulation.

2. **Criminal Liability**. Any individual who knowingly or willfully falsifies information on a report required to be filed under this enclosure also may be subject to criminal prosecution under 18 U.S.C. § 1001.

EXECUTIVE PERSONNEL FINANCIAL DISCLOSURE REPORT (SF 278)

A. DCAA PERSONNEL REQUIRED TO FILE SF 278. DCAA personnel who are members of the Senior Executive Service are required to file a Financial Disclosure Report (SF 278).

B. DETAILED PROVISIONS FOR FILING SF 278s. See Enclosure 6 to the DoD Directive for time of filing, contents of reports, submission and review of reports, public availability of SF 278s, remedial action, and penalties.

C. DCAA IMPLEMENTATION.

1. Reports will be submitted to the General Counsel, DCAA.

2. The General Counsel will provide the reports to the Director for supervisory review.

3. Final review of a SF 278 is completed when the General Counsel, DCAA has signed the SF 278, indicating that each item is completed and that the report discloses no unresolved conflict or appearance of a conflict of interest under applicable laws and regulations.

a. If the General Counsel, DCAA, after reviewing a SF 278, believes additional information is required, the reporting individual shall be notified of the additional information required and the date by which it must be submitted. The reporting individual shall submit the required information directly to the General Counsel, DCAA.

b. If the General Counsel, DCAA, after reviewing the SF 278, is of the opinion that on the basis of the information submitted, the reporting person is not in compliance with applicable laws and regulations, the following steps shall be taken:

(1) The person will be notified in writing of the preliminary determination.

(2) After an opportunity, if practicable, for personal consultation, the General Counsel, DCAA shall notify the person in writing of the remedial measures that should be taken to bring the person into compliance. The notification shall specify a date by which such measures must be taken, which, except in unusual circumstances, must be taken within 90 days.

(a) When the General Counsel, DCAA determines that a reporting person has fully complied with the remedial measures, a notation to that effect shall be made in the comment section of the SF 278. The General Counsel, DCAA, shall then sign and date the SF 278.

(b) If steps assuring compliance with the applicable laws and regulations are not taken by the date established, the General Counsel, DCAA, shall report the matter to the Director, DCAA, for appropriate action. The Office of Government Ethics and the Attorney General shall also be notified.

REPORTING PROCEDURES FOR DOD AND DEFENSE RELATED EMPLOYMENT

I. PERSONNEL REQUIRED TO FILE. See paragraph C.6e of this regulation and paragraph A of Enclosure 8 to the DoD Directive.

II. CONTENT OF REPORT. Instructions for completing DD Forms 1787 are included as part of the form. Questions from personnel required to file will be answered by the Office of General Counsel, DCAA.

III. SUBMISSION AND REVIEW OF REPORTS.

A. **Time of Filing.**

1. Current military officers and civilian employees shall file a DD Form 1787 within 30 days after entering employment or service.

2. Former officers and employees shall file an initial DD Form 1787 within 90 days after the date on which the individual began employment with a defense contractor.

3. Former officers and employees shall file subsequent DD Forms 1787 each time during the 2-year period after service or employment with DCAA that the person's duties with the defense contractor significantly change or the person begins employment with another defense contractor. Such reports shall be filed within 30 days after the date of the change.

B. **Submission and Review.**

1. Civilians shall submit their reports to the General Counsel, DCAA.

2. Former military officers shall submit their report in accordance with the procedures set forth in the following:

a. Army AR 600-50, Standards of Conduct for Department of the Army personnel.

b. Navy - SECNAVINST 5314.5A, Reporting Procedures on Defense Related Employment.

c. Air Force - AFR 30-14, Procedures for Reporting on Defense Related Employment.

3. The General Counsel, DCAA shall review DD Forms 1787 to assure that:

a. each item is completed, and

b. no interest or position disclosed on the form violates or appears to violate the following:

(1) any applicable provision of chapter 11 of title 18 of the United States Code (part 1),

(2) The "Ethics in Government Act of 1978", as amended, and any regulations promulgated thereunder,

(3) Executive Order 11222 as amended, and any regulations promulgated thereunder,

(4) Title 10 United States Code, Sections 2397a,b, or c, or

(5) any other related statute or regulation applicable to the employees of DCAA.

4. The reports need not be audited to ascertain whether the disclosures are correct; disclosures are to be taken at "face value" unless there is a patent omission or ambiguity, or the General Counsel, DCAA, has independent knowledge of matters outside the report.

5. If the General Counsel, DCAA believes that additional information is required, the reporting individual shall be notified of the additional information required and the date by which it must be submitted. The reporting individual shall submit the required information directly to the General Counsel, DCAA.

6. If the General Counsel, DCAA, concludes that the report is completed properly and that no item violates or appears to violate, applicable statute or regulation, then the reports shall be signed and dated.

IV. REMEDIAL ACTION.

A. If the General Counsel, DCAA, concludes that the filing individual is not in compliance with applicable laws or regulations, he shall:

1. notify the reporting individual in writing of the preliminary determination;

2. afford the reporting individual an opportunity for personal consultation, if practicable;

3. determine what remedial action should be taken to bring the reporting individual into compliance; and

4. notify the reporting individual in writing of the remedial action required, indicating a date by which that action must be taken.

B. Except in unusual situations, which must be fully documented to the satisfaction of the General Counsel, DCAA, remedial action shall be completed within 90 days from the date the reporting individual was notified that the action is required.

C. Remedial steps may include the following measures:

1. disqualification,

2. limitation of duties,

3. divestiture,

4. transfer or reassignment,

5. resignation,

6. exemption under 18 U.S.C. 208 (b), or

7. establishment of a qualified blind trust.

D. When the General Counsel, DCAA, determines that a reporting person has fully complied with the remedial measures, a notation to that effect shall be made in the comment section of the DD Form 1787.

E. If steps assuring compliance with applicable laws and regulations are not taken by the date established, the General Counsel, DCAA, shall report the matter to the General Counsel, DoD for further action. The Office of Government Ethics shall be notified.

V. FURTHER GUIDANCE. Further guidance on the availability to the public, reports retention and penalties for failing to file is found at Enclosure 8 to the DoD Directive.

NOTICE TO DEPARTING DCAA EMPLOYEES

Restrictions on Post Employment Activities of Former DCAA Employees

By my signature on this form, I acknowledge I have been provided a copy of DCAA Regulation 5500.2, Standards of Conduct and a copy of a DD Form 1787.

As a former DCAA employee I should review portions of DCAA Regulation 5500.2 carefully as they impose restrictions on my post DCAA employment activities. In particular I should review:

A. Paragraph C.6b entitled **Employment restrictions on former DCAA employees.**

B. Paragraph C.6e entitled **Defense Related Employment (DD Form 2787)**, Enclosure 15 and Enclosure 8 to DoD Directive 5500.7.

C. Enclosure 3 to DoD Directive 5500.7 entitled **Digest of Laws.**

D. Enclosure 11 to DoD Directive 5500.7 entitled **Administrative Enforcement Provisions.**

I understand that violation of the restrictions on post-DCAA employment may be enforceable by criminal prosecution and/or civil administrative fines and penalties.

Employee's Signature

Date

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